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ABSTRACT

This document summarizes the proceedings of a 2-day labor productivity conference held in Georgia during the summer of 1971. Detailed records and discussions of all presentations given are included as are conclusive findings of conference participants. Some of the major findings agreed upon in terms of productivity and its relationship to workers are that workers are more productive if they are: (1) kept informed, (2) allowed to help set goals, (3) provided with experiences which help to bolster their self-esteem, and (4) have access to company counseling. Given these conditions, workers, in effect, receive first priority in management's planning operations, and reciprocate by giving, in turn, first consideration in their thinking, to the company and its needs. (Author/SN)

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PROCEEDINGS OF CONFERENCE ON MAXIMIZING PRODUCTIVITY IMPROVEMENT OF HOURLY WORKERS

June 15-16, 1971

Industrial Management Center
Georgia Institute of Technology
Atlanta, Georgia
December 1971

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PROCEEDINGS OF CONFERENCE
ON
MAXIMIZING PRODUCTIVITY IMPROVEMENT OF HOURLY WORKERS

Sponsored by

Industrial Management Center
Georgia Institute of Technology

and

Employee Relations Institute
College of Business Administration
University of Georgia

Conducted by

Department of Continuing Education
Georgia Institute of Technology

June 15-16, 1971

Program Coordinator and Editor of Proceedings

John L. Fulmer, Professor
College of Industrial Management

Industrial Management Center
Georgia Institute of Technology
Atlanta, Georgia 30332

December 1971

FOREWORD

The Conference held at Georgia Tech June 15-16, 1971, on "Maximizing Productivity of Hourly Workers" is the third of this sort that we have arranged in order to promote timely interchanges between business, education, and government on important current problems concerning some human problem. In fact the topic of this Conference is an outgrowth from the conclusions reached in the Conference September 15-16, 1969, on "Career Guidance and Promotion" in which there was limited discussion of the problem of motivating and making workers more productive.

The lack of any measurable gains in labor productivity during the last two years coupled with 5-6 percent price inflation, gives some idea of the significance of raising the level of labor productivity. The important considerations are how to motivate workers, develop them into more capable persons, gain their loyalty to the employer, and help them solve their personal problems. Motivation is a matter of involving workers and making them feel important. Development of workers into more capable workers is concerned with communications skills and training programs. Loyalty of workers to the company ties to these ideas but also develops out of respect for the company managers and appreciation for what the company is doing for the worker. The troubled worker is one of the most important problems of all for he can destroy all efforts of company management to make him a really effective worker. Assistance to workers in solving marital, financial, and a variety of other problems is the way to relax the worker and relieve his mental worries. Some of the assistance needed for the troubled worker can be provided in companies, especially if it is of some size; however, specialized counseling service will often have to be obtained outside the company.

During the Conference June 15-16, 1971, at Georgia Tech, there were over 30 speakers on the program who related their experiences in dealing with the numerous conditions affecting worker productivity. Special problem situations were presented during discussion which expert speakers elaborated on or answered. This Proceedings contains a detailed record of all presentations and discussions. There has been prepared also for the busy executive an abbreviation of the presentations, as well as a summary and conclusions digest of the findings from the Conference. The reader can obtain an abbreviated answer to many of the specialized problems of workers from the Summary and Conclusions section at the beginning of the report. Those who want the answers in great detail can find them by topic in the main body of the report.

Special acknowledgements are extended to Dr. Ralph E. Balyeat, Director, Employee Relations Institute, College of Business Administration, University of Georgia, for assistance in setting up the Conference Program and also for using his staff to help transcribe the tapes which were made of all the presentations and discussions during the Conference at Georgia Tech June 15-16, 1971.

CONFERENCE AGENDA

MAXIMIZING PRODUCTIVITY IMPROVEMENT OF HOURLY WORKERS

June 15-16, 1971

Sponsored by

Industrial Management Center, Georgia Institute of Technology

and

Employee Relations Institute, University of Georgia

Conducted by

Department of Continuing Education
Georgia Institute of Technology

Program Coordinator

Dr. John L. Fulmer, Professor
College of Industrial Management
Georgia Institute of Technology

Tuesday, June 15

8:-9:00		Registration, Lobby of Space Sciences Building #3
	Presiding:	Dr. Sherman F. Dallas, Dean College of Industrial Management Georgia Institute of Technology
9:00	Welcome:	Dr. James E. Boyd, Acting President Georgia Institute of Technology
Session 1 Moderator:		Dr. Ralph E. Balyeat Director Employee Relations Institute University of Georgia

Worker Involvement in Company Goals

9:05-9:25	Orientation to Goals of Business

	Dr. Kenneth F. Schenkel Senior Industrial Research Psychologist Personnel Department Lockheed-Georgia Company
9:25-9:45	Keeping Workers Informed Mr. Ron Dervales Manager of Personnel Atlantic Steel Company
9:45-10:15	Profit Sharing and Supplementary Monetary Benefits Mr. Ralph Crutchfield Director of Personnel Policies and Employee Benefits, Southern Region Sears Roebuck and Company
10:15-10:30	Break
10:30-10:50	Worker Motivation Techniques Mr. L. D. Roberts, Supervisor Education and Training GM Assembly Plant, Doraville, Georgia
10:50-11:30	General Discussion

Special and Remedial Education for Workers With Poor Communication Skills

11:30-11:50	Importance of Communication Skills Mrs. Vivian Gurley Director of Personnel Regency Hyatt House Hotel
11:50-12:50	Lunch
Session 2 Moderator:	Dr. R. Earl Green, Associate Dean College of Industrial Management
12:50-1:10	Coping with Cultural Gap in Communication Skills Mr. P. D. Davis Director Atlanta Business School

1:10-1:30	Cooperative Adult Education (a) Atlanta Public Schools Program Mr. Joe Fuller Coordinator Adult Basic Education Atlanta and Fulton County Public Schools
1:30-1:50	(b) Mead Company Program Mr. Robert E. Ervin Training and Development Specialist Mead Packaging Division of Mead Corporation
1:50-2:30	General Discussion
2:30-2:40	Break

Problem Counseling for Workers

2:40-3:05	Open Door Policy in Personnel Mr. Richard B. Keller Director of Industrial Relations Scripto, Inc.
3:05-3:30	Occupational Medicine Today and the Future Dr. Robert P. Cunningham Medical Director Southern Bell Telephone & Telegraph Company
3:30-3:50	Child Care Services Mr. Joseph Gross Atlanta Representative Day-Care and Child Development Council of America
3:50-4:15	Financial-Planning Counseling Mr. Hugh Gordon Manager, Personnel and Services Division Lockheed-Georgia Company
4:15	Adjournment

Wednesday, June 16

Session 3 Moderator:	Dr. John L. Fulmer, Professor College of Industrial Management

9:00-9:20	Credit Union and Loan Programs (a) Specific Company Programs Mr. Norman Smith Vice President and Manager Rich's Employee's Credit Union
9:20-9:40	(b) Credit Union Service for Companies Mr. Dan Maslia Manager Associated Credit Union
9:40-10:10	General Discussion
10:10-10:25	Break

Assistance Provided by Community Agencies

10:25-10:45	Child Care and Family Counseling Center Mrs. Mary Margaret Carr Executive Director
10:45-11:00	Georgia Association of Pastoral Care Dr. John Patton Executive Director
11:00-11:20	Emory University Community Legal Service Dr. William H. Traylor Director
11:20-11:40	Lawyer Reference Service Mr. Marion A. Sams, Chairman Lawyer Reference Service Atlanta Bar Association
11:40-12:10	General Discussion
12:10-1:10	Lunch
Session 4 Moderator:	Dr. Glenn Gilman, Regents' Professor College of Industrial Management

Integrated Programs for Worker Development

1:05-1:25	Assessment Center Approach of Southern Bell

	Mr. E. D. Jelks State Personnel Training Supervisor Southern Bell Telephone & Telegraph Company
1:25-1:45	Migrant Labor Project of Coca-Cola Company: Model for Government-Business-Worker Cooperation
	Mr. Garth Hamby Editorial Group Manager Public Relations Department The Coca-Cola Company
1:45-2:00	The West Point Pepperell Company Program
	Mr. Charles Parham Coordinator of Training West Point Pepperell Company
2:00-2:20	"Member of Our Family" Approach in Japanese Industry
	Mr. Nat Gilbert Vice President and Treasurer Matsushita Electric Corporation of America
2:20-2:35	Break

Program Reaction

Presiding:	Dr. Mack A. Moore, Associate Professor College of Industrial Management
2:35-3:30	Reactions and Comments Relative to the Program from following Conferees:
	Dr. Beverley Johnson Director Occupational Information Center for Education-Industry
	Mr. Robert F. Longenecker Director Consumer Services Program Comptroller General's Office State of Georgia
	Mrs. Inez Tillison Community Services Representative Social and Rehabilitation Service U.S. Department of Health, Education and Welfare

	Mr. Walter C. Rucker Director Human Resources Development Institute AFL-CIO
3:30-4:00	Solving Human Problems through Work Standards in the Work Place
	Mr. Arthur Fletcher Assistance Secretary of Labor U.S. Department of Labor Washington, D.C.
4:00-4:20	General Discussion
4:20	Adjournment

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CONFERENCE SUMMARY

Conclusions

The concensus from this conference is that the productive worker is kept informed, helps set company goals and achieve them, feels that he is important to company success and shares in its profits, is in good physical and mental health, is developed continuously as a person, and has access to company counseling, and, if necessary, referral to solve personal, medical, legal, and financial problems. The worker, in effect, receives first priority in management's planning and company operations and reciprocating, the worker gives first consideration in his thinking to the company and its needs. The methods by which to generate this interdependence in the relationships between management and employees are given below in digest form from the presentations of those on the program.

1. Worker involvement in company goals means a partnership between company employer and employee; each employee helps set goals and achieve them, shares in company profits, participates in company activities and gains company recognition; he is a part of the company human resources development program and feels confidence in his future and that of the company. Orientation to goals of business capitalizes on fact that humans draw satisfaction from doing and being a part of something.

   Keeping workers informed requires a down-to-earth communications system which includes orientation programs for new workers, house organ, newsletter, word-of-mouth "grapevine," departmental bulletin boards, and a management information flow method on a continuous basis that is meaningful and keeps workers up-to-date on developments, company goals, and plans for the future.

Profit sharing with workers, regarded as the key ingredient of success at Sears, gives recognition to the dignity and individuality of employees, and promotes better understanding between the employer and workers.

2. Special and remedial education for workers with poor communication skills requires that the nature and the size of the communication gap, which is usually cultural, be determined; remedies developed which involve verbal and non-verbal ways of getting information across; and that supervisory personnel listen attentively and respectfully and act with frankness and truthfulness. In order to succeed, this type of training must make the worker feel wanted, a part of the system, comfortable in it, and loyal to the company. As the communication gap is narrowed, there results a progressive improvement in the worker's productivity over time.

3. Problem solving for workers provided either directly or by outside agencies helps the worker to remove his troubles, reduces the distractions, and makes him a more efficient worker.

The "Open Door" policy employed by companies is designed to increase the self-respect and confidence of the individual worker irrespective of how insignificant his job is. This improves morale and gets the worker involved in company goals. This helps him to feel that he is an important part of operations and that he always has recourse to higher levels of management to rectify a grievance or to gain just treatment. As the worker gains in his feelings of importance and gets involved in company goals, motivation rises and productivity increases.

Productivity is related to the health of the employee--without good health, mental and physical, productivity declines. The occupational medical program of companies varies between industries, depending upon company size and the health problems peculiar to the industry. In medical programs provided by companies, the variation is from a company nurse to a large medical staff which gives varying degrees of medical treatment followed by referral and counseling until the worker is back on the job or reassigned to another job because of the sickness or injury.

Availability of women for work, absenteeism rate, and productivity are functions of the accessibility of day care facilities for pre-school children. This has led a number of major industrial enterprises to provide day care services. These include a major public utility, a major national bank, and a powerful trade union.

Financial-planning counseling established internally for workers may be expected to result in fewer wage garnishments, improved employee relations, fewer union grievances, and less EEOC discrimination charges.

A company credit union promotes thrift and savings for members and provides a low-cost loan fund. In order to establish and operate a company credit union economically, the work force should be 300 or more. Where a company is of insufficient size to establish a credit union, it may engage the Associated Credit Union of Atlanta to perform credit union functions for the company's work force. In order to qualify for affiliation with this type of credit union, the conditions, in addition to size of work force, require that employers make application for membership (without charge), agree to make payroll deductions for savings, and then notify employees that credit union facilities are available.

4. A variety of services are available through community agencies for the troubled worker. These are the Child Care and Child Counseling Center, the Georgia Association of Pastoral Care, and legal aid either through a community Legal Aid Service or the Lawyer Reference Service.

The Child Care and Family Counseling Center helps workers recognize what is troubling them and provides assistance on marital problems, parents-children problems, counsel to help workers adjust to work, and counsel for unmarried parents.

The Georgia Association of Pastoral Care assists with cases involving marital problems, drug addiction, alcoholism, and persons with mental problems.

Legal assistance may be obtained for workers by counselors in company personnel offices in one of four ways. These are: (a) The community Legal Aid Service if problem concerns criminal law and if the worker qualifies for legal aid under the size of income criteria; (b) the Lawyer Reference Service which requires a fee of $10 for 30 minutes consultation with a lawyer expert; (c) the worker's own lawyer if a working relationship exists; and (d) group legal service where this has been assigned for the members of the group by an association or agency representing them.

5. Human problems which exist in the work-place because of discrimination on the basis of sex, age, and race are being attacked through two basic procedures: first, through applying legislative enactments already passed by Congress. These require rules and regulations which are in process of being formulated by the Assistant Secretary of Labor for Employment Standards. The second method, and the newest program, is called "Affirmative Action." This requires that employers under government contract take positive action to eliminate under-utilization of trained workers on the payroll. Those employees on the payroll who are found to be under-employed relative to training must be "Red-Circled" in order to focus attention of management on its contractual obligations toward such workers.

6. Four companies' representatives on the program presented summaries of integrated programs to motivate and develop workers into more efficient employees.

Southern Bell employs an Assessment Center program, a method by which potential managers among crafts workers are identified, tested, evaluated, and moved into training and development programs leading to positions of higher responsibility. The employee benefits from the program in that he learns his weaknesses and strengths for which he can plan a program of self-development. The company benefits from identification of outstanding crafts persons with managerial skills.

The migrant labor project of the Coca-Cola Company in the citrus groves of Florida is designed to solve the personal problems of the company's migrant, seasonal laborers, gaining for the company a more stable and higher performing work force. The two-fold approach employed by Coca-Cola involves on the one hand management at the worker level, living with them to learn how they think and what their goals are; and on the other hand, gaining worker involvement in solving their own problems through heavy representation of them on company committees involved in planning for migrant laborers.

The West Point Pepperell program, designed to meet a productivity crisis from foreign competition, employs an Advanced Analytical Method of Training. This consists of an 8-step approach: (a) breakdown of job types into component parts to relate to behavioral aspects of workers, (b) matching job applicants with job specifications, (c) teaching job skills in logical sequence, (d) training center with mock-ups and other training devices to teach skills, (e) trainee participation in determining direction and content of training, (f) planning trainee's work with his cooperation in order to build up productivity progressively over time, (g) recruiting highly competent employees to act as instructors, and (h) informing trainee of progress in quantity and quality of output overtime.

The "Member of Our Family" approach in Japanese industry means that the employer-employee relationship is very close. The typical Japanese worker will have only one employer during his life, and he spends most of his waking hours at the company and it is regarded as his primary tie. Each morning before reporting for work, employees gather in front of the company for a company song, at which time a visitor may make a short talk or company management announce company goals and appeal to the behavioral characteristics of workers. The same occurs in minature at the close of work. Strong emphasis is placed on company goals at every level of management, down to the workers, and all push hard toward the goals, in a religious sort of way.

Summary of Discussions

Worker Involvement in Company Goals

Orientation to Goals of Business. Herzberg and McGregor provide a theoretical framework for understanding how to motivate workers. Herzberg finds that motivation and satisfaction are two different dimensions of what people experience in work. People draw their satisfactions from doing and being a part of something. McGregor theorizes that employees enjoy work, want full responsibility, and will make contributions if given a chance. A recent book shows that motivation stems from participation. In order to obtain participation, it is necessary to internalize the things management wants employees to believe about their goals and the goals of the company. Another aspect of employee motivation is Organization Development. While programs, solutions, and style changes are intermediate goals, the ultimate goal is the integration of both management and employee goals. This requires the Augmented Staff meeting program, a means by which hourly employees are involved with several layers of bosses together for problem solving and product information. The Third Party, an outsider, in the Augmented Committee meeting acts as a catalyst, causing things to happen, acting as a resource, and answering questions. In order for the Augmented Staff meeting to succeed, it is required that senior management endorse the process to lower levels and re-assure middle management and others involved that the innovative methods developed will not affect their positions.

Keeping Workers Informed. In the 1970's most thinking people say that "People" will be the big move for industry, for society, and for all. This gets into employee relations and is concerned with keeping workers informed and making them a part of what is happening in the work place. It is generally agreed that an employee is importantly affected in his attitudes toward his job, his work, and his company by how well he is informed. Workers today have imaginative minds and this can be "stilled" only by providing information. Begin by telling them what they want to know and keep it up-dated. The company orientation program should include a plant tour, an explanation of fringe benefits, training programs with tuition refund, and what the company does to help workers get pay increases and gain promotion. It is also necessary to tell him all about his job -- the pros and the cons, telling it just like it is. The worker should be informed what the company expects of him and what he can expect of them. The house organ which company management uses to keep workers informed can be used as a means of building up the worker's pride in self, fellow workers, and his company, by reporting athletic events, promotion of line workers as well as managers, and all with pictures. This is also a means of building up the worker's pride in the company product or service. The newsletter is briefer and more frequent in appearance, covering only items of interest and importance to all workers. The bulletin board, another source of information, should be used only for the news items which are of interest to the department, including also production records of the different shifts. Management must take the lead in communicating to its workers in meaningful terms on a continuous basis and not wait until plant has been organized or until union negotiations are about to begin. The basic problem is to get management to see the importance of good communications to workers on a continuous basis.

Workers who are well-informed know: how to perform their jobs, their compensation and fringe benefits, whom they work for, how well they are doing in their jobs, what is expected of them as workers, how their job relates to others, what the organization produces, what he contributes to it personally, and how his contribution relates to what other workers contribute. And finally, the worker should know the company plans for the future, including goals and objectives, and his opportunities as a worker for promotion.

Profit Sharing and Supplementary Benefits. Profit sharing is the highlight of Sears' employee benefits and this is considered one of the key ingredients in the success of the company. To the modern way of doing business, profit sharing is a means by which progressive management recognizes the dignity and individuality of workers and it promotes a better understanding between employer and employees. It is a reward for the employee's efforts, gives him a responsible interest in the company, and encourages the worker to save in order to provide for financial security and retirement. Profit sharing for the nation was first initiated by Gallatin, Secretary of the Treasury to Presidents Jefferson and Madison. Today more than 30,000 companies have some form of profit sharing and the trend of company adoption of the plan is rising dramatically. The apparent reason is that a 1960 study showed that profit sharing companies averaged significantly higher earnings performance than industry as a whole. The Sears' profit sharing plan was started in 1916 by Julius Rosenwald, Sears President, who felt strongly that employees deserve a portion of the profits they help create and also to provide security for them when they can no longer work. Sears contributes 11 per cent of profits before taxes to the fund, and Sears' employees, in accomplishing the objective of thrift, deposit 5 per cent of their earnings up to $750 yearly to be matched in multi-contribution units by Sears, depending on years of service. Eligibility to participate is automatic after one full year's service as a Sears' employee. The third objective of the program is to help the employee build up a fund for retirement, and this is furthered by units of deposit which Sears allows for years of service. Four groups of employees are recognized by Sears in the matching procedure as follows: Workers with 1-5 years of service deposit 5 percent of earnings up to $750 and Sears makes one unit of contribution, in terms of variable profits, for $1 by the employee. Workers with 5-10 years service receive two units of contribution for $1 by the employee; workers with 10-15 years service have three units of Sears' contribution for each dollar deposited from earnings, and employees with 15 or more years of service and at least 50 years of age receive four units of Sears' contribution for each dollar deposited from earnings by the employee. In addition to accumulation of funds in the stated ratios, employees as shareholders receive stock dividends and investment income on stock holdings. In addition there is a rather fantastic gain from appreciation in value of Sears' stock over time.

Sears, Roebuck and Company has tried supplementary monetary benefits for hourly workers, such as prizes, incentive payments, premiums, etc., but the results have been questionable. Sears has not been able to find any significant improvement in sales output, etc. from the plan. The conclusion on the part of Sears' management is that their employees have more important motivating forces otherwise. This conclusion is confirmed by a recent attitude survey which shows the following factors of satisfaction in order: consistent leadership, recognition as individuals, informed on what is happening in company, job security, financial rewards, growth and achievement, working conditions, and the opportunity to make a worthwhile contribution.

Worker Motivation Techniques. The GM Doraville assembly plant employs six procedures to motivate employees. First are the psychological techniques which involve finding out what makes each worker tick based on the drives for recognition, position, and security. Second are the recreational programs sponsored by plant management to gain teamwork for the work environment. Third is the "Participant Benefit" to workers through involvement in solving civic and community needs, and awards from the GM suggestion plan. Fourth is the involvement of workers socially plus "Recognition Awards." These include sponsorship of "Family Day" for an afternoon of fun and fellowship when workers and their families are given a sneak look at the new models for cars and appliances and "Open House" held periodically for workers, their families, and their friends for friendship and improved workplace relationships; the Explorer Scout Program managed by hourly workers; and the "Awards for Excellence" luncheon for those workers excelling in unselfish service to the community. Fifth is the employees' self-improvement program made available to all employees who wish to participate. This program includes tuition refund for job-related courses and college degree-type studies, courses sponsored periodically for workers to prepare for the GED High School Equivalency test, and sponsorship of several students at the General Motors Institute in a 6-week cooperative work-study cycle. And sixth is employee development through orientation programs, training, job rotation, and counseling to enable workers to advance up the job ladder, along either the supervisory or the management routes. In conclusion, while the Doraville GM plant employs six major programs to gain worker motivation, success shows no clear-cut formula without experimentation with methods to a certain degree.

Special and Remedial Education for Workers with Poor Communication Skills

Importance of Communication Skills. Communication means interchange of information and ideas with others, with special reference to the work environment. In business it means the flow is both up and down. It also includes non-verbal ways of getting information across including the ability to listen attentively and respectfully, reflecting attitudes, facial expressions, actions, and beliefs and convictions. Frankness and truthfulness in dealing with people are fundamental even when the news is bad or the truth hurts. If news is evolving and rumor rises, "still" it by passing out information on the status of developments. Absolute frankness is imperative to gain a climate in which workers feel free to talk to superiors. The

Regency Hyatt House Hotel management gains communication with its workers by a variety of methods. The newly hired employee goes through an indoctrination and orientation period in two phases--for "first on the job" and then after 30 days. The "Buddy System" is employed to orient and counsel new workers. Both the "Buddy" and the supervisor evaluate each new employee after 50 days with the "Buddy" showing great pride in the new employee's ratings. Monthly departmental meetings arranged by the supervisors are held to enable employees to pass on suggestions for work improvement which is reinforced by the "Suggestion Box." Vacancies and training schedules are listed on the bulletin boards to enable workers to gain promotions. During training, there is guidance to help workers achieve satisfactory performance in training or to guide the worker into another program if failure seems likely. Special classes also are conducted through the Atlanta Schools' Adult Vocational training programs for language improvement or to impart the English language to employees who are recent immigrants. For motivation, an "Employee of the Month" and of the year are selected and awards presented at a banquet for all workers. A very unique method of communicating messages to employees on fringe benefits involves printing them in little matchstick slogans on the napkins used in the employees' dining room where free meals are served for all workers daily.

Coping with the Cultural Gap in Communication Skills. The Atlanta Business School copes with the cultural gap of blacks, who are preparing to work in the downtown culture, by a "Catch-all" orientation program to get them to acknowledge the gap; point out strong differences in the cultures and explain why they exist; explain advantages of the other culture (better jobs, more money to spend, better housing, etc.); and then work on improving communication skills. Better communication skills does not mean the complete standard dialect but some of it. Teachers stress and use expressions that develop a "passport language"--to pass a test, to get a better job, and to hold a better job. The student, over time, accepts the need to develop better and more standard communication skills as a means to improve his lot in every respect, which provides the motive to keep learning. On the job, the supervisor should employ the same methods but should avoid the attitude, "We have given this guy a chance; why doesn't he appreciate it?," which would widen the gap. In addition, find ways for them to mix and talk with other workers, asking questions and letting the "hair down." The culturally deprived learn by listening and talking with other workers, and it is especially helpful for them to have the cooperation of a senior worker who can help them break into the informal learning circle. For improvement of work performance, especially at first, it is important that supervisors and foremen, patiently and with understanding, repeat orders and ask workers to repeat or show that they understand.

Cooperative Adult Education: (a) Atlanta Public Schools Program. Adult basic education instructors are paid as hourly workers. During the last fiscal year they provided 5,000 adults, 16 years or over, zero to 8th grade, GED preparation through TV high school. Industry or business tells its needs to the Atlanta public schools, Division of Adult Basic Education, which determines needs and puts on a program of training to correct the deficiencies. In order to go forward in removing the educational deficiencies of workers, it is necessary for industry and business to join hands with education to improve worker's capacity, thereby improving the quality of living of people locally and nationally.

Cooperative Adult Education: (b) Mead Packaging Program. Adult Basic Education at Mead Packaging began in 1968 with one part-time instructor and then a second. Early success, which has continued, is attributable to support of Atlanta School Board and Mead Packaging Management who contributed materials, facilities, and instructional help; and to the ability to recruit a very dynamic, dedicated, and talented instructor who had the ability to relate both to top management and to the employees. In January 1969, Mead was awarded a 2-year MA-contract by the U.S. Department of Labor for training 180 disadvantaged employees, of which the major part of training included job related basic education. This led to hiring of a full-time instructor which was further expanded in November 1969 when the Atlanta and State Boards of Education provided a complete Learning Center with 15 study booths equipped with headsets, an instructors' Master Console, and supporting electronics equipment. Industries in the area are permitted to send employees to the program without cost to either employer or employee. Individuals in the community may also take advantage of the facilities of the Learning Center without cost.

The program consists of three phases. Phase 1 includes job related ABE, for training the disadvantaged. Phase 2 involves instruction for employees functioning below the 8th grade level and also permits sufficient flexibility to accommodate learning objectives of individuals in the program. Phase 3 is a GED program of training to pass the High School Equivalency test. All ten in the program in 1970 passed the GED test initially. The conclusion is that people learn by doing and from the consequences of their actions, an attractive recruitment point for factory employees. Furthermore, learning takes place in situations other than the "Old Classroom." This requires imagination, facilities and materials, and commitment on the part of the instructor who is the key, if able to relate to the employees.

Problem Counseling for Workers

Comments on the Open Door Policy. Assume that the manager in any position announces an open door policy; anybody from the organization below is welcome to visit him with their problems. This is done to encourage the filtering effect of the information flow up and down in the management hierarchy. But the problem is that any ranked position has the obligation to report developments to higher levels of management, and some of this information may reflect on the manager reporting. He may either ignore the unfavorable facts or unconsciously color them. Thus, the overall filtering process does not work so efficiently in the upward flow. Furthermore, what happens if the announced open door is a "pretense" and is obviated by barriers set by the executive secretary who controls appointments. She may employ a couple of barriers very effectively. The first barrier is: "What do you want to see him about?," which gets into personal confidences and "turns the worker off." The other barrier is the delaying tactic: "Well, he is pretty busy right now; could you come back tomorrow?", which sounds reasonable. But when he returns, the executive secretary says, "Well, he is pretty busy again today. Could you come back next week?" Thus she has effectively barred the worker from talking to his superiors about a personal matter. She turns him away frustrated and perhaps in cold anger. In effect, there is no "Open Door." Another side of the problem is that managers in higher levels who really listen to "gripes" may come up with matters that concern the managers in between. If the department manager goes around these managers directly to solve workers' problems, he has effectively eliminated them as managers. Thus there are some really complicated problems in having a real "Open Door" policy.

Occupational Medicine Today and in the Future. Productivity is related to the health of the employee. Without good health, mental and physical, productivity is not likely to increase, but on the contrary fall. Occupational medicine, called industrial medicine in earlier years, is concerned with three areas. These are, first, appraisal of the individual's health, the maintenance, restoration, and improvement of the health of the worker through preventive medicine. Second, emergency care on the job, rehabilitation following illness or injury, and environmental medicine, i.e., promotion of interaction between the worker and his job through the principles of human behavior. And third, the economic and administrative needs of both the worker and the community for medical services.

Occupational medical programs vary tremendously from industry to industry depending upon company size and the health problems peculiar to the industry. An average type occupational medical program would generally include pre-employment medical evaluation which considers all of the physical and emotional factors in the individual's make-up and background, fitting him to the proper job from the physical and emotional standpoint. This takes into account the worker's limitations in job placement. Absenteeism from the job which has physical or emotional causes is referred to the medical services office for a medical evaluation, followed by counseling and referral if necessary to a private physician for aid and attention on the job through the medical department. Any disease detected in the early stages leads to treatment by the company medical office or referral to a private physician or even to a hospital if serious. In addition many companies sponsor mass employee screening evaluations, TB, chest X-ray screenings, diabetes screening, etc.

In case of serious illness when the worker's type of job may be affected, the occupational physician plays a key role in re-evaluation and in efforts to re-locate the employee in another job. Supervision of long-term illness is very important in saving "sick days" to the company. Other types of medical assistance which the company medical facility may provide include treatment of drug abuse and alcoholism.

The health crisis in the United States today can only be solved through collaboration between all health care systems working together. An important role for occupational health is that it gives the employee access to health care. It not only helps in minor health problems but assures that workers are referred to the proper expert for a test or treatment. The work place is a national health care resourse for preventive medicine and for promoting it through annual health check-ups, immunization programs, rehabilitation, mental health, weight control, anti-smoking programs, etc. In the case of mental health, occupational medicine is moving towards study of conditions in jobs which cause emotional stress and breakdown, and how to get the person in the right job for prevention of emotional breakdown from the strains of the job.

The Occupational Health and Safety Act of 1970 will apply to over 55 million workers and 50,000 enterprises. The U.S. Department of Labor will set the standards and have the responsibility for enforcing them. The H.E.W. Department will have responsibility for research, for training, investigation of safety levels on toxic materials, and for determining safety levels for operations in companies. This act has important implications for the company medical facility which will have responsibility for carrying out the provisions which apply specifically to companies.

Child Care Services. The economy employed over 33 million women workers in 1967 and the trend to female employment is strongly upward. About 10 million working mothers have children under 18 years of age, and 4 million have children under 6 years of age. These women employees need jobs and the economy needs them as workers. But child care is a serious problem for many of them, affecting the absenteeism rate and efficiency on the job. A few can afford private nursemaids and some private nursery schools, but the vast majority of working mothers with children under age six faces serious difficulties in finding adequate, economical child care. Consequently, women are increasingly demanding day care services, and they are supported in this demand by the "Women's Lib" movement. Congress is on the threshold of action which has had a bill introduced with strong congressional support to provide initially 2 billion dollars yearly, and this proposal because of its obvious need will remain on the Congressional Agenda until some action is obtained.

From the point of view of management, accessible child care services in the community is of such issue to their women workers and the community that consideration must be given those needs in terms of long term company planning. Female workers with pre-school children especially become better adjusted, more efficient workers when accessible child care services are available in the community, and company support for such centers is becoming increasingly important not only for getting child care centers but also in gaining continued support for their effective operation. The steps available to management to focus efforts in behalf of child care facilities are as follows: first, Title 4A of the Social Security Act, which provides open-ended Federal-local funding of social services with focus on day care, is in jeopardy and needs support. Second, the proposed legislation, with strong congressional backing, which would provide 2 billion dollars the first year and 4 billion the second, would greatly expand child care facilities. In order to become enacted, this proposal needs strong public endorsement. And third, business and industrial leaders have always demonstrated genius, imagination, and initiative in utilizing the resources of industry to obtain the facilities required for industrial growth and prosperity. This suggests direct financial support on a limited basis for establishment of day care facilities. Title 4A of the Social Security Act provides 75 percent of the outlay on such facilities where employers contribute the first 25 percent initially.

Corporations, both large and small, are getting involved directly in establishing day care facilities. Two divisions of the Bell System provide day care directly for its female workers and there is consideration for expanding it to the entire system. In Cambridge, Massachusetts, an industrial employer has gone the entire route in setting up such facilities. In Baltimore, Maryland, a large labor union has joined resources with an employer to set up needed day care services. The issue of child care services for pre-school children is clearly on the agenda of top management in business and industry nationwide.

Financial-Planning Counseling. The financial counseling established by the Lockheed-Georgia Company in 1968 has paid off in fewer wage attachments, reduced costs, improved employee relations, fewer union grievances, and fewer EEOC discrimination charges. Every employer in one way or another must be prepared to handle garnishments as they create a heavy administrative burden. The root causes of the garnishment problem is the tendency of some employees to over-burden themselves financially coupled with failure to seek help to get out of the financial mess. To meet this problem Lockheed employed in 1968 a staff man full-time to act as financial-planning counselor, a black lawyer, who is responsible for all legal problems relevant to garnishments, tax levies, and "Chapter XIII's." In the 3 years since 1968 garnishments at the Lockheed-Georgia Company have been reduced by one-third with release on 50 percent of the remainder. As a result, lost time, disciplines, and terminations related to garnishments have been significantly reduced. The general procedure employed is that the counselor studies credit letters and garnishments to identify employees with a pattern of financial trouble. The counselor then contacts them in order to try to guide the employee to reach an agreement with the creditor in one of several ways: (a) a new weekly payment schedule, (b) extension of time for liquidation of debt, (c) preparation of budgeting schedule, (d) referral to the consumer credit counseling service in Atlanta, and (e) under certain circumstances referral to attorney for bankruptcy. The main idea is to take a legal and procedural process and humanize it, thereby affecting, in many cases, the lives of people for the better.

Credit Union and Loan Programs: (a) Company Credit Union Program. The common bond binding company employees into a company credit union is to promote thrift and savings of members and to provide a source of low cost loan funds. Interest rates on loans to members are generally substantially lower than interest charges from most lending institutions. Rich's Credit Union is 33 years old but the movement in the United States pre-dates that by a good margin -- and it was motivated chiefly by usurious interest rates. Rich's Credit Union has 4,627 members with assets of $4.2 million. The State of Georgia has 424 different credit unions, a membership of 367,578 members, and total assets of $272.8 million. For the United States, there are 23,875 credit unions, membership of 22,800,000, and total assets of $170.5 billion.

Credit unions everywhere govern themselves. There is a supervisory committee which helps govern the credit union. Rich's Credit Union governs itself through elected directors who appoint the officers. Its Credit Committee consists of five Rich's employees and members of the credit union. There is an investment committee which invests money left over from loans to members. The credit union has a paid manager and clerical staff. All of Rich's employees are eligible for membership after 3 months employment. The highly successful credit union at Rich's was developed and has grown through the active interest, promotion, and financial assistance of Rich's management, which provides office space, utilities, and excuses board members and committee members to meet when necessary to transact business. Payroll deductions are made for savings and also to meet loan obligations of members. Rich's credit union makes any loan which is for a worthwhile purpose -- and for a variety of emergencies. Also, loans are made for debt consolidation when considered wise. The conclusion from Rich's experience with credit unions is that it is an excellent method by which employees combine to save and also to borrow at a cheap rate.

Credit Unions and Loan Programs: (b) Credit Union Service for Companies. An Associate Credit Union is able to extend the advantages of a company-based credit union to employer-sizes which are unable to manage a credit union. A company type credit union requires an employment level of 300 or more employees, but the Associated Credit Union of Atlanta, organized in 1956, is able to extend the privileges of a credit union to employer-sizes, varying from 25 to 200 employees or even up to 300 employees. It is located downtown Atlanta and has a membership of 90 companies, representing 3,300 members with assets of $1,600,000. Conditions for company affiliation other than company size are: Company applies for membership (which has no charge) and agrees to payroll savings plan, and notifies company employees that credit union facilities are available. Accumulated savings plus dividends are reported to each employee twice yearly. The technique of clearing a credit union loan for an employee consists of employee application for loan at Credit Union office in downtown Atlanta either in person or by telephone. Credit union staff checks out credit worthiness of applicant through company designated staff person, employee signs note and gets check for face value of loan which may be consummated either by mail or in person, and company begins payroll deductions for retirement of employee's loan. Types of loans, interest charges, and conditions governing loan are competitive with company-based credit unions.

Assistance Provided by Community Agencies

Child Care and Family Counseling Center. The Child Care and Family Counseling Center is designed to counsel individuals on personal and family problems. Three percent of referrals originate at the management level, and the remainder from a variety of sources including former counselees. Detection of humans with a problem is highly significant if the work of the Center is to be of maximum value. The first institution detecting family problems is the school, from behavior of pupils, and the place of work is the second institution. Some of the signs of family trouble are frequent absencies from work, irresponsibility at work, inability to concentrate or perform work as well as previously, calls from creditors, ill-health, mood swings, flare-ups with fellow employees or the supervisor, and rise in the accident rate. Some of the actions on the part of employers when they observe employee problems are: Seek help from Counseling Center, send to pastor, seek medical assistance, and refer to company company counseling center if one exists. The Atlanta Center is expanding locations and changing hours to be more accessible to employees. Of special interest is the Tuesday night program, called "Project Aware," where parents come for a dialogue concerning problems of their teen-age children. The Child Services part of the Center relate to services to unmarried parents, and the family counseling services consist of direct help to people individually, on a family basis, and on a group counseling basis, for marital problems, parents' problems with children, and employee counseling to adjust to work.

It is important that company management encourage employees to seek help at Center rather than condemning or attaching a stigma to it which causes furtiveness on part of workers, adding to the burden of their problems. In some companies, like Lockheed, the Center maintains an in-plant service with one staff member on duty once a week in the morning. The Center works closely with personnel services and the medical division of the company.

Georgia Association for Pastoral Care. Headquarters for the Association is the Central Presbyterian Church, located downtown opposite the Capitol. This is an organization which seeks to bring together the seminaries of the community in order to provide two broad types of service: (a) offer some pastoral service, some caring service, some mental health opportunities for growth to people who are in various conditions of need; and (b) make the minister a better resource for helping the members of the community and the church. Cases involving marital problems, drug-addicts, alcoholism, and plain mental disturbances constitute the bulk of the counseling. Highly complex cases are referred to the specialized community agencies. The example of ministers --visiting troubled people in their homes, which breaks down barriers quickly, relaxes the person, and leads to quicker communication-- is being imitated by the Specialized Community Agencies, a desirable trend.

Emory University Community Legal Service. In most places in the State of Georgia, there are almost no legal aid services available, at least not in the civil cases. But consolidation of Emory University Community Legal Service and the Atlanta Legal Aid Society July 1, 1971, will tend to broaden the services available in the Atlanta area. The United States Supreme Court has ruled that anyone charged with a major criminal act must have legal representation. In DeKalb and Fulton counties attempts are made to meet this requirement. The Public Defender for Fulton County is greatly overburdened with a large number of cases. Company employees involved in a criminal case without funds should try for the Public Defender-- but it is preferable that a person have his own lawyer if he can afford it-- going through the Atlanta Lawyer's Reference Service if there is not a personal, working relationship with a lawyer. The Public Defender, however, does not have the time and resources to give the type of representation which can be given by a lawyer in private practice. Atlanta's Legal Aid Service employs the following criteria for accepting a case: Single persons with $200 or less monthly income plus $35 per month for each additional dependent. This means the bulk of hourly wage earners do not quality for Legal Aid.

Employees who have legal residence outside the Atlanta Area may be served by the Georgia Indigent Legal Service. A call to its downtown office will determine if it extends service to a particular community.

Lawyer Reference Service. Middle class wage earners, in a mobile, rapidly changing urban society, have a growing need for legal assistance. Moreover, from the point of view of the employer, workers troubled by legal problems are much less efficient. The Atlanta Lawyers' Reference Service is helping greatly to meet this need. The objectives of the Lawyer Reference Service are to make lawyers' services more readily available and to assist those who need to employ a lawyer, to find a competent lawyer willing to help them either on a contingent fee basis or by other arrangements. Operated under the local Bar Association, in this case the Atlanta Bar Association, a person inquiring through the Reference Service is charged a fee of $10, which goes to defray operating expenses of the Reference Service. This entitles the person to 30 minutes legal consultation with a lawyer, who is a member of the LRS panel. After the 30 minute interview, the individual may either employ the lawyer or seek help elsewhere. A second type of legal service available to middle-class wage earners is "group legal service." Under this plan, legal services are rendered to the individual members of a group by a lawyer provided by the group organization or by some agency acting in behalf of the members of the group. Both the Lawyer Reference Service and group legal services are methods by which the corporation can meet the growing legal needs of its middle-class wage earners, providing for their general welfare in legal matters and at same time enhancing worker productivity.

Integrated Programs for Worker Development

The Assessment Center Approach of Southern Bell. The Personnel Assessment Center Program at Southern Bell is a process by which managerial skills in technically competent craft persons are identified. Each person nominated by supervisors for the Center is observed and measured under comparable conditions by a staff of six from the supervisory group. Tests are samples of the tasks the candidate would be called upon to perform in a management job. The techniques by which potential managers among craft persons with the various management skills are identified involve four types of analytical tests: (a) an in depth interview; (b) paper and pencil type tests; (c) group performance tests; and (d) individual work situations. After this 4-step assessment process, each candidate is placed in a typical management work situation to enable the staff of test supervisors to observe how the candidate handles administrative situations. Following this, each candidate is evaluated by the staff members and rated on each management variable. A composite decision is reached on each person's overall potential for management. After the evaluations, each staff member writes an explanation for his rating as if he were talking to his supervisor about each candidate citing weaknesses and strengths. A final phase of the evaluations consists of a listing of each candidate's assets and liabilities to be used by the director in a feedback. This is quite worthwhile to the candidate; for if weaknesses are noted, he may pursue self-development training and later become a candidate again in the Assessment Center. And the company benefits greatly from identification of outstanding craft people who have managerial skills or the potentialities for their development.

Migrant Labor Project of the Coca-Cola Company: Model for Government-Business-Worker Cooperation. The migrant labor problem of 1,000 workers (4,000 on a seasonal basis) on 30,000 acres of citrus groves in Florida led the Coca-Cola Company to develop programs to alleviate the problems of its seasonal, low-income, poorly educated farm workers. Study indicated that their problems were housing, worker compensation, health, education, social services, and employment opportunities. Management discovered what their workers really wanted (for themselves and their children) by actually living and working with them. Workers were involved in developing a program through a Committee of harvesting workers. Homes were provided for workers to own through FHA 235 funds. The substandard dormitory housing for single workers was torn down and rebuilt at a cost of $125,000. Compensation for the year-around groves' people was increased about 20 percent, and they were re-classified to regular workers in order to qualify them for company benefits. Coca-Cola is adding fruits to extend the harvest season in the area to at least 11 months in order to reduce worker turnover and uncertainties in performance of the work force. The Base Salary method was developed for the seasonal type harvest laborers in which they get a salary for a set number of days and become eligible for regular company benefits. In order to help the 700-800 workers still on a piece rate pay basis meet income problems in transition between jobs, Coca-Cola matches the worker's contribution to the savings fund to enlarge his resources while moving between jobs. This class of seasonal workers has also been made eligible for the year round health program and $1,000 of life insurance.

The West Point Pepperell Company Program. During the last four years the textile industry has experienced a rise of 1.3 percent in price relative to 13 percent rise in the Wholesale Price Index. Compared to the one percent rise in price of textiles, wages of textile workers have gone up 40 percent. This distorted relationship combined with foreign competition has caused a productivity crisis in the textile industry. The West Point Pepperell Company is meeting the productivity improvement problem through its Advanced Analytical Method of Training. This constitutes an 8-step approach. First, training operation analysis in which each job-type is broken down into component parts in order to relate each aspect to its behavioral aspects. Second, plan selection which establishes personnel specifications for each job, detailing the physical, mental, and psychological requirements of the job. This enables the Personnel Department to match job applicants with the specifications. Third, systematic skills development with designed exercises. One skill is taught at a time and in a logical learning sequence. Fourth, establishment of a Training Center which is equipped with mock-ups and other training devices to teach employees to perform functions for which hired. Fifth, trainee participation which enables the trainee to determine the direction and content of his training. Instruction is provided by hourly workers who teach the skills they perform. Sixth, a planned program where the trainee's work is planned with cooperation and participation to include frequent changes in activity initially, building up to sustained productivity that rises progressively throughout the course. Seventh, trained instructors: These are highly competent hourly employees who are recruited to instruct the jobs they perform. Eighth, measurement of progress of trainees through records of exercise time, quality levels, output records, and other relevant information; and the trainee is informed of his progress. The objective of this training is to produce goods of highest quality at the lowest attainable manufacturing costs.

"Member of Our Family" Approach in Japanese Industry. In Japan, it is a time-honored axium: "never bite the hand that feeds you." The "We" syndrome subordinates the goals of the individual in favor of the goals of the group. While labor unions, which received a start under General Douglas MacArthur, have some status in Japan, consistent with the "We" syndrome, management belongs to the managers and Japanese labor knows its place. The Japanese worker will probably spend all of his working years with one employer, the result of a style of life that goes back perhaps thousands of years. His family is dear to him, but the over-riding factor in the life of the Japanese man is his business family. He likes to spend his off-work hours either on company premises or in some nearby teahouse or nightclub for companionship and conversation. His loyalty is where he spends his waking hours and the company is regarded as his primary tie. The company exploits this intense, traditional loyalty by channeling it to company interests. The Matsushita Electric Industrial Company, Ltd., for illustration, channels the Japanese worker's intense interest toward company objectives by dissemination of the company philosophy and by exploiting several points of human behavior. Each morning all workers are first assembled in front of the factory entrance for the singing of the company song and announcement of basic objectives. The same occurs in abbreviated fashion at close of work. Twice a year a company meeting is held at which company objectives for the next six months are announced. All levels of managers translate these objectives into specifics dealing with the manager's operation, and through a series of meetings involving subordinates, translates company objectives into personal objectives. The announced company goals are not taken lightly by employees. They are regarded as vows which are religiously kept.

Program Reaction

This conference has concentrated on the motivators for workers--the things which move them to do a better job and to realize their potentialities through the work itself. The objective is to make people happy on the job and where needed remove those conditions which trouble or upset them with the expectation that the production rate will rise. Major emphasis has been put on problem solving for workers in order to remove disturbances from the work place. This means greater responsibility for the personnel department with delegation of the authority to move directly to solve problems of workers or by obtaining outside counseling. The lowliest, most unskilled, illiterate of workers deserve equal attention in human dignity to the corporate vice president, which is a tremendously important step forward in thinking about those who work for us.

The philosophy of management today is developing to the point where they realize that quality control is based on human control. We motivate and gain the loyalty of workers when we recognize them as individuals and treat them as humans. The key word is "Participation Involvement." When the worker feels that he is helping to make company goals, he tends to follow through in his job to achieve these goals.

The point has been made loud and clear in this Conference that management is interested in its workers as individuals, realizing that this is the most important aspect of gaining high productivity. The basis issue is treating workers as a part of the firm, recognizing that they are humans and not numbers.

An important omission from the Conference Program was the point of view of the worker. Some workers have learned how to maximize productivity and their view would be helpful. Those who act as "Buddy" to a ghetto worker have gained insights in how to understand and motivate persons of another culture that would be valuable for us to know. First-line foremen have a viewpoint on how to improve the production line and how to meet production quotas which we would find unique and valuable for our understanding.

Solving Human Problems Through Work Standards in the Work Place

While Congress legislates the remedies, application of the legal requirements and the results obtained depend on employers in the work place. The legislative route to removal of discrimination requires standards for performance - rules and guidelines - which are difficult and time consuming to set up. The Office of the Assistant Secretary of Labor for Employment Standards is evolving the standards required by legislative enactments already on the books. In the case of Wage Garnishment, Congress has legislated that a loan company cannot garnish a person the first time nor take more than a very limited percentage of the employee's paycheck. Provisions of the Equal Pay Act also are the responsibility of the Employment Standards Division of the U.S. Department of Labor.

The newest program of the Employment Standards Division is called "Affirmative Action" which means companies must take positive action to eliminate under-utilization of trained workers on company payroll, and it is aimed especially at women and minorities. Order Number 4 identifies the problem, establishes goals and time tables for performance. Executive Order 11246 pertains to contractors on government projects and specifies that "Fair Employment Practices" be applied to all employees in order to eliminate sex, age, and racial discrimination. This requires that government contractors actively promote equal employment opportunities for all workers on payroll. Workers found under-utilized relative to training are to be "Red-Circled" by the employer in order to focus attention of management on its contractual obligations relative to such workers, usually women and minorities.

INTRODUCTION

Sherman F. Dallas
Dean, College of Industrial Management
Georgia Institute of Technology

I am Sherman Dallas, Dean of College of Industrial Management. It's good to see you all here this morning. This is the third conference that we have conducted in the area of Human Resources Development, and our subject for the second and third conference was each suggested by the previous conferences which suggested something is going and something is happening. The particular need I suppose for today is to tackle the kind of subject we have, "Maximizing the Productivity Improvement of Hourly Workers," because the United States has problems in this area of management. I checked out the industries of some of you who are here today. And some of you have real problems competing with people of other countries, and certainly some part of the answer is the matter of how to improve or increase the productivity of our labor force.

This morning it is a pleasure for me to introduce the president of Georgia Tech who will bring you "Welcome" from the Institution. Dr. James Boyd has been acting president of Georgia Tech since May of 1971. He was appointed at that time by Chancellor Simpson of the University System of Georgia. Dr. Boyd is also wearing two hats in that he is also the Vice Chancellor of the University System of Georgia Board of Regents for Curriculum Development and Academic Planning. Prior to his appointment to the Board of Regents in April 1971, Dr. Boyd served as president of West Georgia College for 10 years. During this 10 years he developed an institution which grew not only in numbers and size but also grew tremendously in quality, and it is today one of the finest institutions in the University System of Georgia. Dr. Boyd is not a stranger to the Georgia Tech Campus. Prior to his acceptance of the presidency of West Georgia College, he was Director of the Georgia Tech Engineering Experiment Station, a very sizable job in itself on the Tech Campus. It is a pleasure for us to have Dr. Boyd back and I am pleased that he could spare me his valuable time to extend a word of welcome to you on behalf of Georgia Tech. I give you President Boyd.

Welcome
by
James E. Boyd, Acting President
Georgia Institute of Technology

Thank you very much Dr. Dallas. Ladies and gentlemen, it is certainly a pleasure to meet with you briefly and to welcome you to the Georgia Tech Campus. I certainly hope that you are going to find your visit here most productive and at the same time pleasant.

I am pleased by the title which you have chosen, "Maximizing Productivity Improvement of Hourly Workers." For a long time I have wondered about something somewhat parallel, how we might rate institutions of higher learning! Do we rate them purely in the absolute magnitude of the quality of the individuals they turn out, or in the quality of those individuals as compared to their quality when they entered the institution? Does the institution, say, maximize the intellectual capabilities of the students; that is, to what extent do the intellectual capabilities of those who go through the institution improve? Perhaps, this would be a good measure! Any institution which starts with experts will turn out experts. But if you start with raw material and turn out experts, you are doing a much better job!

I have been closely involved for almost 40 years in scientific and technological work in Georgia. I am, therefore, most pleased that Georgia Tech has been selected as the host institution for such a broad cross section of experts as I see represented here, in this very significant and important problem, improvement of productivity of workers in business and industry. As you may know, labor productivity per man hour was practically at a standstill during 1970, and over the last several years productivity performance of workers in industry has left much to be desired. We need to raise output per man hour among workers in order to accomplish two important goals of national economic policy. First, it is necessary in order to raise the level of per capita income and the national standard of living. Second, raising the productivity level of our working population would accomplish much in the control of inflation, a serious problem to national advance and progress during the last four or more years.

The subject areas and topics for the participants which are disclosed by the two-day Agenda attack the problem of worker productivity in several significant areas, some pathbreaking. I am greatly impressed not only by the apparent expertness of the speakers but also by the broad background which they represent. All these points of view promise to make significant contributions to the problems of motivating, training, counseling, and problem solving for workers. It seems that as company managements show greater interest in the human resources development of their workers and help them in personal problem solving, it is natural to believe that workers' interests will be oriented increasingly toward those of the employer. They will become more loyal workers, better oriented to taking care of company property, and more assiduous on the job in quality of performance. The line of thinking we pursue in this suggests that all will gain from an "Improve Your Fellowman" approach.

It seems to me as a college administrator that a program which brings businessmen and industrialists together, as has been arranged here for this Conference, in a sort of forum to interchange ideas on specified difficulties, problems, or concerns is a valuable new learning method in the solution of common problems. I would like to see more interchanges between college educators and businessmen on the problems of our state, of our society. I believe we have begun here today a pathbreaking experiment in problem solving that is relevant. And I feel sure we will enlarge such experiences in the future.

I welcome all of you to the Georgia Tech campus and our facilities are extended to make your search for truth here a valuable experience. From a scientific and technical viewpoint, Georgia Tech has on its Engineering and Science Faculties and on the staff of the Engineering Experiment Station capacities for research and investigation that are without peer in the South and hard to match anywhere. I invite you to investigate the problem solving capabilities in Research and Development which we have among the hundreds of scientists and engineers.

What I want to say in conclusion is that I am most pleased that you are with us for this 2-day Conference. I invite each of you to return at your earliest convenience for consultation and possible use of the expertize which we have at Georgia Tech.

WORKER INVOLVEMENT IN COMPANY GOALS

Orientation to Goals of Business

by
Kenneth F. Schenkel
Senior Industrial Research Psychologist
Personnel Department
Lockheed-Georgia Company

Let me begin by giving you an overview of my talk. First, I would like to comment on some motivational findings. Second, I would like to talk about organizational development--that is, the means whereby I am proposing the adoption of goals by hourly employees. Then, I would like to close with some mention of hard-core unemployed training.

First, in discussing the motivational findings, I should mention the name of Frederick Herzberg. Dr. Herzberg, of Case-Western Reserve, has conducted considerable research with results that are different from those usually reported on this subject. Specifically, he says that motivation and satisfaction do not necessarily rise and fall together. That is, motivation and satisfaction are two different dimensions of work. He further says that we don't motivate people to do something; rather motivation and interest stem from the doing. Employees draw these motivations from achieving, and from being a part of something important and useful. Satisfaction is another dimension. Along it, people are satisfied or unhappy.

The second name I'd like to mention is Douglas McGregor. Dr. McGregor until his death was at M.I.T. McGregor wrote that most businessmen believe in either Theory X or Theory Y. Theory X holds that hourly employees, the workers we here are all concerned with, are basically lazy, unmotivated, and do not want responsibility. There is a miracle connected with this theory--for the manager who subscribes to Theory X, lo and behold, his workers are lazy, unmotivated and do not want responsibility. Theory Y, on the other hand states that employees enjoy work, they do want responsibility, and they can and will make contributions, given the opportunity.

In a book of two or three years ago, "Management by Participation," by Morrow, Bowers, and Seashore, another aspect of motivation was emphasized--motivation stemming from participation. That book centers its attention on the results of the purchase of one company by another company--together, they control most of the pajama manufacturing in the world. When Harwood bought Weldon, they found they were not getting what they thought they would. It was really in foul shape. So, operating under Theory Y involving participation,they moved Weldon from consuming 15 percent of its capital assets each year to earning a plus 17 percent; and from only 89 percent production efficiency to 114 percent efficiency.

These citations just touch on motivation theory. They provide a background of what I want to say to you now.

First, before I get to the proposed mechanism for motivation, let me say that I believe it is necessary to have employees internalize the things that you want them to feel about their goals and the goals of the company. Let me illustrate that! I read, rather recently, about a company which was very disappointed, and I gathered from the tone, rather piqued, because the employees were not following the safety regulations of the company. The rules were well written and published. Bright posters were put up. But employees just would not follow the directions. I have an explanation but it is necessarily a little complicated. They simply had no real opportunity to internalize them. Let's look at how that may be accomplished. Could they read them? Surely they could! But, that's not enough.

I would like to speak about what is now called Organization Development and a specific instance of this, an augmented staff meeting program. The objectives of this kind of activity are problem solutions and management style changes, which are intermediate goals. The more ultimate objective is the integration of management and employee goals. A simple definition of Organization Development (OD) holds that it is the internalization of groups to develop solutions to their problems by the addition of a third party as catalyst. I will get to that part later. The augmented staff meeting program is a means of involving employees in order to increase their motivation. The six week's experiment which my company ran produced many illustrations of benefits for the employees and the company. For example, in one case the employees had the problem of unavailable project tools. They arranged procedures to have them available for all when needed. A cost saving item was the establishment of a Log that saved from two to eight hours per week search time on shop orders which were improperly documented. In another instance, large presses were badly in need of maintenance; the employees arranged for this service. There was a fastener shortage in our department which fastened aircraft "skins" together. The employees build a locked-box which saved thirty hours per week search time. The estimated savings for eight out of 40 such changes, on manpower alone, was about $500 per week for each of the 12 groups. This resulted in savings of a little under $36,000 for the six weeks.

The strategy of the augmented staff meeting program is to provide periodic opportunities for employees to meet, to define operational problems, to plan solutions and to set goals with the supervisor remaining the key figure. Image that! They set their own goals! But they did it, and within the limits of company goals.

Both the first-line supervisors and the hourly employees are involved. Attending these meetings are the hourly employees, their supervisor, representatives of support groups which are needed to help get the work out and a "Third Party." The frequency of the meetings is once a week, each lasting about 45 minutes. These can be tacked onto the so-called weekly staff or crew meetings which are held for general updating. Coordination is by means of a multi-level meeting where several layers of bosses get together for problem resolution and for progress information.

The Third Party enters these meetings for the first few weeks. He can disappear from the scene after a meeting pattern is established. The third party acts as a catalyst, causing something to happen when he is there, and acting as a resource in answering their questions. He also has some liaison and monitoring functions. The proposed cycle for beginning this would be about eight weeks per group. The third party can handle two such groups at a time.

Essential to success of the augmented staff meetings are two actions. First, the endorsement by senior management through communicating to lower levels their beliefs that this is the initiation of a long-term, significant process. Second, senior management must reassure middle management that in setting new standards, in finding new ways to operate, and in sharing influence, they are not setting the stage for punitive action against themselves.

Finally, it is noteworthy that our "hard-core" trainees responded to O.D. similarly to the way the experimental groups did. Similar sessions in our hard-core training program were held twice a week. The purpose was to permit the trainees to modify their personal value system. It was deemed to be highly successful.

MODERATOR: Our conferees just heard one thought which is extremely important, namely, that we do not motivate workers nor can we motivate workers. We can simply provide an opportunity whereby workers can motivate themselves and we do this by providing certain of his need while, at the same time, achieve the objectives of the organization. This is the crucial difference between truly motivating workers, and what has sometimes been designed or called the happiness approach. If one would read the literature today, you'd think the prime objective is to keep them happy while achieving the actual objectives of the organization. I hope you realize that this is very easy for me to stand up and say; it is not so easy to do in a practical work situation.

Keeping Workers Informed

by

Ron Dervales

Manager of Personnel

Atlantic Steel Company

When it comes to conferences, I am usually known as one of the "attenders." I am always attending these sessions with the hope of being able to use someone else's ideas, hoping that I will gain one or two ideas that I can put into operation immediately and 50 or 60 others that I can store in the back of my head for use at a later date. You can get a lot of advice from one of these sessions, but what you can use is up to you.

During the 1940's, all the emphasis was placed on mass production. During the 50's, sales and marketing came into dominance and in the late 60's, finance seemed to be the big word. Well, ladies and gentlemen, "people" is the big word for the 1970's. I have just returned from a national personnel conference that I attended in Dallas last week and they had speakers from all over the country to talk on various subjects, and every one of them talked about the 70's being the decade of the people. A local television station has a slogan that "An Informed Citizen is a Better Citizen." I believe that industry could adopt this slogan, "An Informed Employee is a Better Employee." Why is an informed employee better? An employee is importantly affected in his attitude towards his job, his work, and the company by how well he is informed. Good communication affects his motivation, especially when thinking of motivation in the sense of contributing that extra effort that will make an employee do his best and not just get by. No longer does the old saying, "Do your job, or you get fired," motivate people. The new people who come into your plant to apply for a job these days have long hair, no shoes, beards, headbands, etc. I don't know if we fear their dress, or if we just fear their inquisitive minds! These people are no longer happy just to have a job. They want to be happy in their work. You can't take an employee off the street any more, give him a clock number, show him the bathroom, show him to his job and then forget about him as long as he does his job. The most important thing is that these people, with their inquisitive minds, are highly contagious to other people they work with. They see them asking and they say to themselves, "How come I haven't been asking these questions?" Why do they want to change the company? But some of their ideas are not that bad. Modern technology has taken all the challenge and all the skills out of most of the jobs we have in industry. Computers run presses; they run machinery; the worker just watches the machine and when it shuts down, he presses a reset button and it starts again. That doesn't take much skill. We must look to other ways to establish a pride in the work that a person performs in the company for which he works. Keeping workers informed is one such way. We must be careful, however, for too often a great deal of money and energy are expended to communicate the wrong message to people. There is no quicker way to "turn people off" than to tell them what they already know and not tell them what they want to know. This may come as a surprise to you, but the tools for implementation of an effective information program exists in most all major companies today. Most of the larger companies have orientation programs, company house organs, president's newsletters, bulletin boards, and most important of all, day to day contact with the workers. As I said earlier, one of the main problems is communicating the wrong message. I would like to explore each of these channels of information with you, and give you some of my ideas as to what I feel is wrong with them and maybe this may help you.

I would like to talk first about the orientation program. This is your first opportunity to brain-wash new employees. Too many times, we rush new employees through a thirty-minute orientation program, send them out to work, and that is it. How many of you give employees plant tours? How many of you explain all of the fringe benefits that you have; your safety programs; your training programs; your tuition refund programs to a new employee? How else is he going to find this out? He certainly will not learn about this vital information once he goes to work in the factory or mill. Your program should always transmit information that is impressive, if it is to have any lasting effect on the new employee. Tell it the way it is! If the job is hard, if it is dirty, if it's dangerous, tell him that's the way it is going to be! He is going to find out quickly enough. And when he does find out and if you have painted a rosy picture of what the job is, he will move on to another employer; he is not going to trust you, because you misled him. Explain to him why absenteeism is a problem for everybody, not just for his company, but for his fellow workers. "When you are absent, your fellow workers have to work harder." Explain to him that accidents happen, and why. Ninety-five per cent of all accidents are caused by the people, not by defective machinery. Inform him that profit is not a dirty word, because he can only be a successful employee if the company is a success. It is fine if you have a booklet. Many larger companies either have an employee's manual, or what have you, that can be given to the employee. But this should be given to him during his training program. In the orientation program the employee should learn from you what the company expects from him. At the same time, he should be informed of what to expect from the company. A well-planned orientation program can direct an employee in the right direction.

I would like to talk briefly about company house organs, those publications that appear about every two or three months, which have a nice picture of the president with a letter from him that says, "Well, we have to work harder." They contain a few pictures about the golf league or the bowling league, and pictures of those employees who have gone into the service, and those who came home from the service, and pictures of the new general superintendent or district sales manager. All of this is of little interest to the worker on the line! I think once in a while they ought to include a picture of the guy who has made master machinist after twenty-five years. Most workers feel that the only time their picture will be in the house organ is when they retire or die.

We do not brag enough about the product we produce. I like to think that an employee is proud of the product that he helps to make. Why don't we publicize our own product? The house organ is an excellent place to illustrate our products. These are a few examples: If you make tires, perhaps you could print a picture of a fire engine that has your tires on it and the service this fire engine performs. If you make steel like the Atlantic Steel Company, show them a bridge. If we can identify our products in that bridge, then he can identify with it for he helped make the steel that went into a bridge that spans a gorge in Africa. We shouldn't be ashamed of what we make. The house organ not only keeps the workers informed, but they are usually sent, or should be sent, to the employees' homes in order that the workers' wives and children may be informed.

Newsletters should be brief and to the point! Too many times, they cover subjects that should not be in newsletters, but should be reserved for either the house organ or bulletin boards. Newsletters should be about items that are of major importance. They should be of interest to all workers. Departmental bulletin boards should be restricted to items of interest within that department. What does John Jones working in one part of the plant care about a promotion to a general foreman in some other part of the plant that he has never seen? Nothing! You should post on departmental bulletin boards only items that relate to that department. There are several ways to increase productivity; and one of the fastest ways I know is to post production records as accurately as possible and to identify those responsible for that production. This means that if "Shift A" produces three hundred tons in one eight hour shift and "Shift B" produces two hundred tons, you can rest assured that "Shift B's" production will be up tomorrow! Nobody likes to be on the bottom.

Then there is personal contact! Every day we deal with the people with whom we work. Do we communicate or do we just direct them? Direction is fine but effective communications is better.

The company's "grapevine" can be a great tool to spread the message to your employees. In almost any group, you have one or two individuals who are leaders and if you can identify those individuals, you can get "the message" to most of the workers without having to talk with each one individually. Ask yourself if your internal communication system is effective and determine how much of the important information is lost as messages pass down the line. A leading national institute reports that in many cases as high as 80 per cent of the information being transmitted between the president and the workers is lost. The vice presidents only receive 66 percent. The foreman receives 30 percent. By the time it gets to the workers, only 20 percent remains.

Management can offer leadership to employees by communicating with them, but communications have to be meaningful. We have to be informative in terms of employee self-interest. People listen to a message that affects them. Don't wait until your plant is being organized to start communicating with the workers! Don't wait until two months prior to the start of labor contract negotiations! It seems that everyone becomes aware of the importance of communicating with the workers just before an organizing campaign or just before contract negotiations. It may be too late! Actually, the toughest job you will have is selling top management on the idea of initiating an employee information program. They like to see results and they like to see them now! If you can show them a machine that produces twice as much as the one they have now they will put it in! How fast can you get it back is what they want to know. But, you cannot measure this kind of program in dollars and cents. It may take years before you have any way of measuring the impact of your employee information program.

If your workers are well informed, they should know the following: how to perform their jobs; their compensation and fringe benefits; whom they work for; how well they are doing their job; what is expected of them as workers; how their job relates to others; what the organization produces; what they personally contribute to the company's product or service; and what other departments do and how they contribute to overall product or service. Where they are in the company; they should know the location and relationships of their department to other departments; they want to know about the company plans for the future; their promotional opportunities and company goals and objectives. Information sharing with your employees is a great thing. Just recently we had a bond drive at our plant. I thought to myself how could we sell bonds with an interest of 4 1/2 or 4 3/4 percent when we have a credit union that gives 6 1/2 percent interest and that fact convinced me that we could not possibly have a successful bond drive. We worked with the Government representative by showing movies, passing out literature, and an intensive advertising campaign; and we increased our participation from 181 people to 389 people. The result was a 100 percent increase in our sale of bonds. I believe good communications are very important and I believe it can be achieved, at least it is worth striving towards.

Profit Sharing and Supplementary Monetary Benefits

by

Ralph Crutchfield

Director of Personnel Policies and Employee Benefits, Southern Region

Sears, Roebuck & Company

It is certainly a pleasure for me to be here this morning and have a small spot on your agenda to talk to you about profit sharing, a subject that is very close to all of us at Sears. When Dr. Fulmer asked us to share a few thoughts with you about the Sears' profit sharing plan, and some of its benefits to our employees, we accepted with pleasure, because profit sharing is something we like to talk about. Perhaps, as a previous speaker said, maybe we like to brag about it a little. It is a highlight of our employee benefit program. We are proud of it, and we like for others to know how we feel about it. In fact, we think that it is one of the key ingredients to the success at our company, because we think profit sharing plays a vital roll in what this conference is all about, maximizing productivity improvement.

Before we get into the Sears' profit sharing plan and just how it operates, let's talk for a minute or two about profit sharing in general. The modern concept of profit sharing represents a major achievement in the American way of doing business. It is a means by which progressive management recognizes the dignity and individuality of the workers and promotes a better understanding between employers and employees. True profit sharing is a reward for the employee's work effort. It gives him a responsible interest in the company. In a deferred plan such as Sears it encourages them to save in order to provide for financial security at retirement time. The idea of employees sharing in the profits of the business is by no means new. The first American industrialist to install such a plan was Albert Gallatin, who was the Secretary of the Treasury under Presidents Jefferson and Madison. Gallatin introduced profit sharing into his Pennsylvania Glass Business in 1797, explaining that the democratic principles upon which our nation was founded should be applied to industrial operations as well. Today, more than thirty thousand companies in the United States have instituted profit sharing programs with participation of more than merely top management personnel. The largest and most important of these are the 3,000 companies which share profits with all their employees. In addition to Sears, Roebuck and Company, these include such large firms as Proctor and Gamble, Eastman Kodak, The Bank of America, and S. C. Johnson and Sons.

The trend toward establishing profit sharing programs has risen dramatically. Between 1931 and 1940 profit sharing rose at an average rate of 45 companies per year. From 1956 to 1959 it rose by 2,666 companies per year. The rate by 1962 was more than 4,000 companies per year. Why this trend? A 1960 study of several corporations, conducted by the Profit Sharing Research Foundation, indicated a compelling reason. Their findings were that profit sharing companies averaged significantly higher earnings performances than industry as a whole. Many companies credit profit sharing with improving employee morale as well as productivity.

I would like to give you a brief picture of the Sears' profit sharing plan and just how it operates. To make the presentation a bit easier to understand, I brought along what we like to call our family album, a slide presentation, and I would like to show it to you at this time. Richard Sears started the whole thing back in 1886, selling watches as a sideline to his regular job as a railroad stations agent in North Redwood, Minnesota. This is Alva Roebuck, the Indiana farm boy who taught himself to be a watchmaker. Mr. Sears hired Mr. Roebuck to repair the mail order watches that the customers returned. What those two started is today the world's largest seller of consumer goods. But here is the picture that we especially want you to see. We call it our family portrait. When you get around to wondering who owns Sears, Roebuck and Company, this picture will give you the answer. These are the owners of the company: Over 200,000 Sears' employees who are members of the savings and profit sharing pension fund of Sears, Roebuck and Company employees. Now, they don't own all the company, but they do own quite a bit of it, nearly 1/4 of all the shares of Sears' stock. Profit sharing is a favorite subject with Sears' people, because most of them realize that profit sharing builds for their present and future financial security.

Let's take a look at how it started back in 1916 more than half a century ago. Times were turbulent. President Wilson was trying to steer clear the United States from that war over in Europe. Jobs just weren't too plentiful. The average wage for a Sears' employee was $14 a week and that was a little more than the national average. The Sears' Catalog proudly proclaimed Sears as the cheapest supply house on earth. Sears was strictly a mail order business in those days. There was no such thing as scheduled retirement plans for workers anywhere, because companies had no planned accumulation of funds which would support employees after they left their jobs. In those days you didn't retire, you just got too old to work, or you dropped dead on the job. This was 20 years before social security began. But on July 1, 1916, Julius Rosenwald who was then president of Sears introduced profit sharing to Sears' people. He felt strongly that employees deserved a portion of the profits that they had helped to create and he believed that profit sharing was the best way of accumulating money to provide some security when employees could work no more. Mr. Rosenwald said this, "Profit sharing is good business." So, what we do is not charity or benevolence but it is good business to treat our employees right. The plan Mr. Rosenwald proposed had three objectives; profit sharing today has the same objectives. The first objective then and the first objective today is to permit members to share a portion of the profits of the company. Sears contributes 11 percent of the company's net profit before taxes to the profit sharing fund. In effect, our first goal is to achieve a partnership. Each employee's work produces profit in which all other Sears' employees share. The second objective was to encourage the habit of thrift or savings. This is why members deposit part of their pay to profit sharing. They put in 5 percent of their earnings, but no more than $750 in a single year. So, profit sharing members save automatically. The third goal of the fund is to provide for retirement so that an employee, after his years of work, can take something with him, the means to provide an income for his retirement years. Would you like to spend your retirement doing things that you have always wanted to do? Wishing won't make it so, but profit sharing can and has for thousands of Sears' retirees. If you were a Sears' employee, you might ask: "Sounds good to me, how do I join?" Here's the answer! After the first anniversary service date, that is, after one year of regular full time employment, every Sears' employee receives a membership application and joins the plan simply by signing the form. It is entirely voluntary, but 99.9 percent of all our eligible employees participate.

Let's assume now that you are a Sears' employee joining our profit sharing plan. Members are divided into four groups, based on service with the company. The reason for this is so that longer service employees who are more valuable to the company may share at a greater rate than shorter service employees. To begin with, you would be placed in Group A. This is all members who have from one to five years of service. Five percent of your earnings is deducted from your pay. That is your member's deposit and it cannot exceed $750 in a year. For every dollar you deposit as a Group A member, one unit of company contribution is allocated to your account. This unit of company contribution from profits, we call it the base rate, is determined by how many divisions must be made of the company's contribution. In other words, it's the employee's slice of the pie. Group B members, that's members with five to ten years of service, also deposit 5 percent of their pay and every Group B member gets two units of company contribution for every dollar he deposits. Group C consists of those members with ten or more years service. They deposit 5 percent of their pay, but they get 3 units of company contribution for every dollar they deposit. Group D members have a minimum of 15 years of service and must be 50 years of age. They get four units of company contribution for every dollar they deposit.

From the very beginning it has been the aim of the profit sharing fund to provide members with an opportunity to acquire a part of the ownership of the company, so that they can share in an ever greater degree in the growth of the company. Members' savings or deposits, when joined with the company's contribution, plus other income to their account, form working capital that will be invested in shares of Sears stock which are credited to the members' accounts each year. In some years a portion of the funds is also put into other investments, called General Investments. Sears stock produces dividends. General Investments produce income. The dividends on Sears stock and the income from General Investments in each member's account are reinvested for him in more Sears stock and sometimes also in General Investments, which in turn produce for him an increased earnings in dividends and in interest. This is one of the real secrets why profit sharing has been so profitable for so many members for so many years. If you were a profit sharing member, you could also look at it this way. Your account grows through four factors which are like four faucets being turned on to add to your pool of working capital. First, deposits; second, the company's contribution; third, dividends on Sears stock and fourth, income on general investments. The longer a member is in profit sharing, the wider these faucets are opened, producing more and still more capital that is put to work. Now, in addition to the income that goes into each account yearly, each account can increase in worth also by the growth in value of the Sears stock and general investments in the account. This is called appreciation, and over the years, this has been a very rewarding factor to our profit sharing members. A single share, and I'll bring this slide up-to-date for you, a single share of Sears stock purchased in 1916 for around $220 a share, by the middle of 1971 and had grown to over 193 shares, with more than $17,000 by appreciation alone. To keep every member up-to-date on how his account is doing, he gets a statement every Spring, giving him the whole story. Each statement will show exactly what the credits were to the account during the past year and how they were invested. This statement not only shows how many shares of Sears stock were bought for each member, but how much, if any, went into general investments and the cumulative totals as to how many shares of Sears stock are in the account and the total of general investments after the year's appreciation has been added, or depreciation subtracted in a year of stock market decline. If a member leaves before five years of service with the company, he gets back his own deposits plus interest. Any credits over that in the account are distributed among the remaining fund members. In case of disability or death, the entire account is distributed to the member or his beneficiary. When a member reaches his fifth anniversary service date, he becomes vested. This means that he is entitled to all the credits in his account should he leave at any time for any reason after that. So, this is profit sharing at Sears. It is a billion dollar club of good Sears' employees whom we believe do a little bit better because of it.

I think it is always interesting in a presentation such as this one to give you a few figures so that you can better understand what profit sharing can mean to Sears' employees. Results defined in terms of benefits to retiring members are excellent. From 1916 to 1969, retiring and other members withdrawing from the fund took out Sears stock in cash valued at more than $2.2 billion dollars. In 1969 alone, there were 2.9 million shares of Sears stock withdrawn from the fund and more than 183 thousand shares were converted to cash at current market value by withdrawing members. The market value of these shares plus the general investments and other cash withdrawn during 1969 amounted to more than 247 million dollars. A real test, of course, is what individual fund members take home when they retire from Sears. A study of employees who retired during 1968 tells this story. Those who retired with ten to fourteen years of service had deposited an average of $2,726 in their accounts. The average value of their accounts was $11,125 when they retired. Those with 15 to 19 years of service deposited an average of $3,694, and the value of their accounts at retirement averaged $23,977. Employees with 20 to 24 years of service put in an average of $5,151, and an average of $54,774. Finally, employees with 25 to 29 years service put in an average of $6,066 and withdrew an average of $97,502. Many long service employees retired with accounts substantially larger than the average retiree at Sears. And, I might say that we have never had a millionaire to retire from Sears through profit sharing, though we've come pretty close.

Through profit sharing, Sears' employees get to spend their retirement years in economic security.

I have been asked to comment on one other subject and I would like to make a few brief statements about supplemental monetary benefits for hourly workers. These kinds of benefits can, of course, take many forms -- prizes, incentive payments, bonuses, premium payments, to mention only a few. At Sears we have experimented with several of these types of supplemental monetary benefits, and speaking strictly from my company's viewpoint, in almost every case we have had to question the significance of the effectiveness of this type of incentive. We have not been able to point to significant production improvement which we, of course, measure in sales per hour in a single case. Conversely, our studies have shown there is no positive relationship between supplemental monetary benefits and increased sales productivity. In many instances based on these studies, we have eliminated this type of supplemental benefit. An example is the removal several years ago of the supplementary commission on sales made by part-time employees. As a result, sales productivity has not declined for this group, but, in fact, has steadily increased. Our full commission sales people in the home appliance and home improvement category are often given premium payments on certain items of high gross profit merchandise. These payments are normally for a definite period of time, usually during a sale or special promotion event. While premium payments tend to stimulate the sale of certain items of merchandise for a temporary period of time, they have not proved to be a long-lasting motivating factor to increasing overall sales for this group.

Now, maybe you represent companies in other than the retail field. In fact, I think most all of you do. The same principles may not hold true in all of your industries. But in our business, other motivating forces seem to mean more to our employees than supplementary monetary benefits. In an effort to offer some explanation for this, I will comment on a recent attitude survey conducted among all Sears' employees with reference to their needs and wants and the order of importance of each of these needs to them. You may want to make a note of these. The first need on the list was consistent leadership; second, recognition as individuals; third, to be informed about what's going on -- to know what's happening in their company; fourth, job security; fifth, financial rewards; sixth, growth and advancement; seventh, working conditions; and eighth, to be able to make a contribution or to be able to do something worthwhile. So from this survey, you can readily see that our employees have told us there are several things more important to them than monetary rewards in being happy in their work and in doing a good job. This may explain why we have had some difficulty in relating supplementary monetary benefits with increased productivity. The survey also suggests to us that there are several factors more important to the worker in his outlook toward his job and therefore in his productivity than financial reward. It's something to think about and possibly you might want to study the same thing in your own company.

MODERATOR: I would like to take this opportunity to introduce a young lady who is here as an official representative of the U.S. Department of

Labor. If any of you would like to talk to her about anything, I'll ask Miss Louise Harned to stand up so you can see just who she is and she'll be very happy to answer your questions.

We've just heard a very interesting talk on profit sharing with Sears, Roebuck and an indication they found no direct relationship between supplementary rewards, one kind or another, and productivity. This substantiates information which has been found through research, that there is very little direct relationship between productivity and an indirect reward system. I'd like to point out, however, that there are some trends for some of our fringe benefit programs as other studies have shown very significant correlation between fringe benefit programs and turnover, for example, in companies and this does contribute to the profit position of the organization, even though it may not directly affect the unit productivity of the company. I'd like to point out that in the 3,000 companies which our speaker mentioned that have profit sharing plans that if one would make an analysis of the employee turnover in the companies they would find that the companies which have profit sharing plans have substantially less turnover than those not having profit sharing. If I'm not mistaken, the ten companies having the lowest turnover of all the companies in the United States also all have profit sharing plans. And, I doubt that this could be purely accidental.

Worker Motivation Techniques

by

L. D. Roberts

Supervisor, Education and Training

GM Assembly Plant-Doraville

There was a time, not too many years ago, when it was not uncommon to hear of some enterprising individual who had made a million dollars. Unfortunately, such occurrences are somewhat a rarity today but not an impossibility. In fact, I will be glad to tell you how you can achieve this financial status. Simply come up with a clear-cut formula for motivating employees, get it copyrighted, and then market it.

Let me assure you that I'm not trying to be facetious. Every one of us in this room recognizes that employee motivation is an area that poses a tremendous challenge to business and industry today. Why? Because employees expect more from their jobs than good pay and good benefit programs. They want to be more than names and numbers on time-cards. They want to be involved and they want to be made to feel important.

At GM's Doraville Assembly Plant, our approach to meeting and satisfying these employee needs involves activities, programs and procedures in a number of different areas. In the next few minutes, I shall attempt to describe each of them very briefly.

First, there is the psychological aspect. We recognize that people are all different; consequently, what motivates one will not necessarily motivate another. Therefore, we stress with our supervisors the fact that they must spend sufficient time with each of their employees to get to know them. Through informal conversations and daily contacts, the supervisor learns -- to a certain degree -- what makes each employee "tick." For example, some employees are motivated through a drive for recognition. An observant supervisor can detect this because such an individual likes to be praised, brags about his accomplishments, likes to be asked for his opinion, works better when given credit, likes to be singled out, etc. Another individual might be motivated by a drive for position. He can be identified because he also possesses certain traits. He is a "name-dropper," likes titles, wants to be regarded as a key man, has a lot of pride and has a tendency to try and "keep up with the Jones'." Still another individual might be motivated by a drive for security. He is the person who is always on time for work, never takes chances, has a lot of insurance, saves his money, plans for the future and seldom resists doing what he is told to do.

I have cited only three of these motivating drives. There are numerous others, however, and each has certain tip-offs that help the supervisor classify his employees according to the things that produce the greatest motivation. Among these other motivating forces are companionship, accomplishment, possession, understanding, close friendship, responsibility and clear conscience to mention only a few.

Second, there is the recreational aspect. As the old saying goes, "All work and no play makes Jack a dull boy"-- a trite statement perhaps, but true nonetheless. Consequently, the Doraville plant sponsors and urges participation in a variety of recreational activities. Among these are bowling leagues, basketball leagues, softball leagues and golf tournaments. The plant provides trophies for the winners in these various activities and, in addition, supplies uniforms for the bowling, basketball and softball teams. Equipment for the latter two is also furnished by the plant. I might add that participation is not limited to just the workers, but includes members of supervision as well. Naturally, team effort is essential in such activities. It is gratifying to see this same type of teamwork carry over into the work environment.

Third, we come to what I will refer to as the participative benefit aspect. This includes such things as the twice-yearly visit of the Red Cross Bloodmobile, our tours of United Appeal Agencies prior to the campaign, and supplemental income from awards earned through the General Motors suggestion plan.

The Red Cross Bloodmobile comes to our plant twice each year to accept blood donations. Arrangements are made for employees to be excused from their jobs long enough to make their donations during working hours and without loss of pay. Because participation is so good, our plant is able to operate its own blood bank whereby all of our employees and their eligible dependents can obtain blood from the Red Cross in unlimited quantities and without charge.

Each year, prior to the plant's United Appeal campaign, employees are selected from the various departments throughout the plant and escorted on a tour of several agencies that depend on United Appeal funds to operate. Staff members and superintendents serve as escorts and host the group for lunch between the morning and afternoon agency visits. In this way, a segment of our work force, each year, has an opportunity to see how money contributed to United Appeal is used to help people. These employees, in turn serve as campaign ambassadors among their fellow workers to solicit contributions and convey the United Appeal story. These participants visit the agencies during working hours and are paid just as if they were on the job. Not only do our employees appreciate the opportunity to visit these agencies, but they have done an outstanding job of helping to make our United Appeal campaigns extremely successful. Hopefully, we will eventually be able to take most of our employees on one of these tours. Of course, it will require several years to accomplish this.

The GM suggestion plan affords employees an opportunity to supplement their income through awards paid for the adoption of their constructive ideas. Awards range from a minimum of $15 to a maximum of $10,000. At the Doraville plant during the year 1970, employees received $28,683.87 for 592 adopted suggestions. Corporation-wide during the same period of time, 204,077 employees shared $13.3 million in suggestion awards. As important as the monetary rewards may appear, they are not nearly as significant as the reward and personal pride experienced by the employee who sees his ingenuity and idea transformed into practical use.

The fourth aspect of employee motivation I would like to discuss is the social aspect. Each year, right after model change and just prior to GM's new cars being unveiled in dealer showrooms across the country, the Doraville plant hosts a "Family Day." The back-yard of the plant takes on the appearance of a picnic ground, complete with hot dog stands, coke bars and a dixieland band. There are even suckers and balloons for the youngsters. On display throughout the year are various models of GM's new car line-up for the coming model year. And, especially for the ladies, GM's Frigidaire division sets up display of the latest innovations in home appliances. "Family Day" allows our employees to provide their families with a sneak preview of the new cars and appliances before the general public has a chance to see them. It also makes for an afternoon of fun and fellowship.

Periodically, the plant holds an open house for its employees, their families and friends. These events are also quite popular and result in improved relationships between the plant and its employees.

From time to time, special new car sales are held on the premises just for employees and members of their families. Dealers from throughout the metro area set up tents, display a representative selection of cars, offer discount prices, hold drawings for door prizes, provide refreshments, and wheel and deal to sell their cars. Needless to say, these new car plant sales are well-attended. Of course, regularly scheduled tours of the plant are conducted three times a day and employees are encouraged to invite their families and friends to the plant for a guided tour.

Our plant also sponsors a special interest explorer scout post. The post advisor is an hourly-rated employee who is assisted by both supervisors and other hourly-rated employees. A number of the post members are sons of employees and, as might be expected, the post activities are centered around automobiles. It meets once a week at the plant, and the fellows learn about such things as engines, transmissions, front end assembly, etc. From time to time, field trips are planned that include visits to other businesses and industries.

Many Doraville plant employees give their time and talent unselfishly to a wide variety of civic and community activities. They deserve recognition. Through participation in General Motors' "Award for Excellence" program, the plant is able to give suitable recognition to these employees publicly at an awards luncheon when gold, silver and bronze medals and plaques are presented. In addition, the gold medal winner is flown to Detroit to attend a special recognition luncheon with GM's Board chairman and other corporation executives. The fifth aspect is concerned with employees' self-improvement. This involves programs sponsored by or made available by the plant to all employees interested in participating. One such program is GM's tuition refund program, whereby employees may further their education and receive up to $500 per year refund in tuition costs. Except in instances where an employee is attending college and pursuing a degree, individual courses taken must be job-related. Quite a few of our employees have completed college under the program and we have been able to promote and place them in management positions. As a matter of fact, we recently transferred a young man from the assembly line to our Work Standards Department following his graduation from Georgia Tech. Besides Georgia Tech, our employees attend Georgia State, Morehouse, Oglethorpe, Emory and many other institutions of higher learning in this area.

Periodically, the plant sponsors courses for employees to prepare for the general educational development high school equivalency examination. Classes are held at the plant and the only cost to employees is the price of a textbook. So far, 155 employees, comprising 12 classes, have completed the program and only two failed to pass the examination. The final examination fee is also reimbursible through the tuition refund program, provided the employee successfully passes it. Response to this course has been gratifying and comments from participants as well as non-participants indicate that employees are appreciative of the company's desire to help its employees attain the equivalent of a high school education. We are currently in the process of enrolling participants for another series of classes.

In the Fall of each year, the Doraville plant sponsors several students at General Motors Institute. GMI is the only degree-granting college owned and operated by a major corporation. The institute operates on the cooperative plan with alternate six-week periods at the sponsoring unit and classroom study at the school. Whenever possible, we attempt to sponsor daughters or sons of our employees for these educations that are conservatively valued at $25,000 each. Upon graduation with a degree in mechanical, industrial, or electrical engineering-- or industrial administration --the student has an opportunity to pursue a career with General Motors if he or she so desires. There are, however, no strings attached. The graduate who doesn't work for GM is the exception rather than the rule, however.

In order to keep skilled trades employees abreast of technological changes and the incorporation of more sophisticated equipment into our assembly processes, these employees attend specially scheduled training sessions at company expense and on company time.

Last, we come to the sixth and final aspect which is concerned with employee development. This is a never ending aspect. It begins the minute the employee reports to work on his first day at the plant and continues throughout his tenure of employment. On that first day, the new employee spends his first hour in the conference room reviewing a slide presentation designed to acquaint him with the plant layout and familiarize him with GM's policies and procedures. Also included in the program is information regarding the plant safety program, the GM suggestion plan, medical facilities and shop rules. Several weeks later, after the employee has had time to learn his job and make friends with his co-workers, he is brought back to the conference room for phase two of our induction program. The atmosphere is much more relaxed and the program is less formal. Light refreshments are served, a slide presentation covering benefit plans, functions of various departments, policies concerning vacation and holidays as well as other pertinent information not explained in the first slide presentation is reviewed. In essence, the first presentation tells the new employee what GM expects from him; the second presentation tells the new employee what he can expect from GM. Sufficient time is allowed after the second presentation for a question and answer period. At the same time, the new employee is urged to offer any suggestions he might have relative to making our plant a better place in which to work. This follow-up induction program has resulted in improved attitudes and a better understanding of the problems shared by employees and management.

Since General Motors adheres to a policy of promotion from within, it is necessary that a reservoir of trained personnel be ready to move into supervisory positions when vacancies occur. Consequently, as the need arises we notify employees by bulletin that applications are being accepted for pre-foreman training classes. Those interested submit applications. The applications are reviewed by supervision in the employee departments where the initial "screening" process takes place. After each department has narrowed the field to a dozen or so candidates, each individual then appears before the plant's Management Manpower Planning and Development Committee. This committee, comprised of members of top management, interviews each individual -- there are usually between 80 and 100 employees appearing before the committee -- and selects the 20 or 25 individuals with what it considers the greatest potential for eventual management positions. These individuals, then, make up our pre-foreman training class. They initially receive 80 hours of intensive classroom training. This is followed by five weeks of on-the-job supervisory experience. Quite often, these men fill in as vacation replacements for supervisors in their respective departments. Twelve more hours of classroom training completes the program. A graduation luncheon is held in the executive dining room and each participant is presented a handsome certificate by the plant manager. The luncheon is attended by the staff and superintendents and each graduate is escorted to the luncheon by his department head. Thus, classroom training combined with practical experience assures us of having a reserve of qualified employees ready to assume jobs of greater responsibility.

In addition to the pre-foreman training program, employees may advance to management positions through participation in the planned leadership program. Most production department supervisors have a man in their group who is known as the utility trainer. In so many words, this man assists the foreman and is not assigned to any specific job or operation. Should quality problems develop within the group, the utility trainer follows the problem to a solution. If new employees come into the group, the utility trainer assists them in learning their operation. These trainers receive classroom training on a regular basis and, as needs arise, can be promoted into supervisory positions along with graduates of the pre-foreman training program.

A unique feature of the automobile assembly business is the annual model change. Information concerning the new models is constantly being received via write-ups, drawings and diagrams, illustrations and video tapes. This information is passed on to employees as expeditiously as possible, thereby keeping all personnel informed regarding the changes that will affect them and their operations. People want to be "in on the know" and they appreciate our efforts to keep them posted.

In conclusion, I will reiterate something I said at the beginning of this talk. There is, as yet, no clear-cut formula for employee motivation. As a result, each of us with whom the responsibility for developing techniques is entrusted must rely on experimentation to a certain degree. This is certainly true at our plant. We don't have all the answers by any means. We have, however, made significant progress through implementation of the various programs and procedures I have just discussed. As might be expected, some are more influential than others. All have proved to be beneficial because -- again, as I stated earlier -- what motivates one person will not necessarily motivate another. Consequently, employers must approach the employee motivation problem in much the same manner that the operator of a cafeteria attracts customers -- offer something that appeals to everyone. That is our philosophy and what we are trying to do. Thank you very much.

Discussion

AUDIENCE: Dr. Schenkel, how do you relate the ill-feeling and these types of things to the Herzberg Principle?

SCHENKEL: I think that Dr. Herzberg would consider bad feelings to be part of the satisfaction --dissatisfaction dimension. If people are dissatisfied, they may quit but making them satisfied doesn't make them motivated. A whole list of satisfiers which Dr. Herzberg related to work may make an employee willing to stay at work and, therefore, prepare the ground, so to speak, for other motivating things to happen. Arranging for satisfactions would be preparing for active participation in work, for goal setting, developing changes, and so on.

AUDIENCE: Dr. Schenkel, you spoke of Augmented Staff Meetings. How does this work for the Third Party in case of a small company?

SCHENKEL: The Third Party has to be someone from outside the work group. In other words, it cannot be the supervisor or a designated person in the work crew. The Third Party has to be someone who has been brought in. He can be from a staff organization, e.g., industrial relations. Frequently, especially in smaller companies, someone is imported from a University faculty or from a consulting firm, so that he is a stranger to the group. As you know, people perform differently when they have "company" than when they don't have "company." It is important that the group realize they are doing something different than they probably do routinely. We perhaps have staff meetings regularly but the Third Party tends to make the staff meetings different and creative.

AUDIENCE: I should like to ask the gentlemen from Sears, do you have unions in your operations in the South and do you negotiate in union contracts the profit-sharing program, or is this considered non-negotiable by Sears' management?

CRUTCHFIELD: First, the Sears Southern Region or territory does not have organized unions. It is my understanding, however, that on the West Coast and in the Midwest we do have a very limited number of unions. But I am unfamiliar with negotiations with organized units. The profit-sharing plan, however, is the same for all employees in all units throughout the company. There is no difference in the company's contribution or a member's contribution, in any of the organized units on the West Coast and in the Midwest, than we have in the South.

AUDIENCE: Question to the gentlemen from General Motors, whom do you use as your faculty or teachers for the High School Equivalency program?

ROBERTS: We are fortunate in that we have been able to handle this program through DeKalb Technical School. The school provides qualified teachers who come to the plant to conduct the classes using our facilities. This service is free as long as class rolls do not fall below 12 participants; however, if this should happen, then we have to pay a stipulated amount for the actual hours of instruction.

AUDIENCE: Dr. Schenkel, how do you maintain employee motivation during a period of lay-offs?

SCHENKEL: In a way, the opportunity is enhanced by the layoffs because it is clear there are to be fewer people around during layoffs. Among the represented hourly employees there is a shifting of people on the basis of seniority from one group to another. There are somewhat different activities to be undertaken by employees as they "bump" into an organization. These people can see a problem very clearly -- more clearly than they can under a stable situation when they may learn to live with it. Frequently, on the one hand, they are anxious to help with suggestions, while on the other, they see the need for solutions ever so much more clearly. It is not difficult at all to use this in a declining work situation.

AUDIENCE: Under the suggestion system you have to be careful that you don't have a disgruntled employee putting a note into the Suggestion Box, saying "Everything would be fine if you would just get rid of the Boss!"

ROBERTS: We have had a few suggestions of this type during the years I have been at the plant, but not many. Our emphasis is different. We encourage our supervisors to work with their people, talk to them about their jobs, and try to stimulate them to turn in suggestions that will make their jobs better. Consequently, very few suggestions that come in are of a negative nature. Most are positive.

AUDIENCE: I have another question for Mr. Roberts. Isn't it true that your production at the GM Doraville plant, and others, involve more difficult motivation problems than are connected with other types of work. I don't see how you can motivate a guy on the assembly line. You have given a wonderful description of the opportunities for your people. I assume that a goodly percentage do not avail themselves of these opportunities. What do you think the future holds for assembly line type of operations relative to worker motivation?

ROBERTS: Since I don't have a crystal ball, I really can't say. I do know we are concerned about this because, as you say, assembly line work is probably one of the most difficult areas in which to motivate people. For one thing, the work is repetitive. Some people probably wouldn't agree with this but feedback we are getting from our hourly-rate employees indicates that the majority of them get enjoyment from learning other jobs. As a result, we do quite a bit of flexibility training, which provides them the opportunity to learn other jobs. We have a utility trainer in each production foreman's group, and this individual is mainly utilized for training employees to do other operations as well as their own. This also frees people up so they can become involved in a variety of other activities. For example, we are considering having the foremen send their trainers to the salvage meetings so they can see first-hand the types of problems coming out of their respective areas. The trainers will then be in a knowledgeable position to get back with the operators in their groups. We are also looking at the possibility of giving different individuals in a foreman's group assignments relating to such things as safety, housekeeping, quality, etc. Taking safety as an example, the employee will be familiarized with what causes accidents. Since the human factor, or human error, is one of the major contributors, he will become acquainted with ways that can be taken to avoid accidents in our plant. We may also designate an employee to work on housekeeping, quality, methods, etc. In other words, motivate them through involvement and participation.

AUDIENCE: Am I correct in noting that up until the last couple of years there had always been lots of talk during union negotiations about productivity, and any increases. But in the last couple of years or so unions have just not been concerned about productivity-at improving it as a means of getting pay increases. Would you comment on the effect of this negative attitude on actual productivity gains that have occurred or may occur in the future?

ROBERTS: Mr. Roche, GM's Board Chairman, was very much concerned during the last negotiations about productivity. It is our belief that by getting people involved, we can achieve greater productivity from them. In automobile assembly, we strive for getting each operation performed in station. This is the goal of everyone. Build it right, build it in station. This is the key. We feel that through proper training most people, as we discussed it this morning relative to the Theory X and Theory Y folks, want to do what they are asked to do provided they are properly instructed and properly communicated to.

AUDIENCE: Are the unions really just forgetting about productivity or do they cooperate with you when you try to institute programs that increase productivity?

ROBERTS: When we talk about unions, we are talking about two areas for me. One is the local union and the other is the International Union. I can't speak for the International Union, but for the local union, it has been my theory and belief that most of those elected to office are elected by a minority group. This means that we are dealing with other than the whole and sometimes I think this is the problem.

AUDIENCE: Would Mr. Dervales comment on this point?

DERVALES: We had a strike in 1968 that lasted 6 months. We also had a lot of friction between the local and the International Union. The local people did not like the International coming in and telling them that the time had come when they were not going to get any more than what the company was offering to give. The local people felt on the other hand, that after a strike of 6 months, they should get more than they asked for at the beginning of the strike. So you have this conflict within the union itself. We had never had a change in the Committee members during negotiations.

SPECIAL AND REMEDIAL EDUCATION FOR WORKERS WITH POOR COMMUNICATION SKILLS

Importance of Communication Skills

by

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Director of Personnel
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Communication is a term that is tossed around an awful lot these days and it merely means passing information and ideas along to someone else and receiving information and ideas from someone else. Communication means giving and taking from the top down and from the bottom up. There are three things that I believe that are very necessary for good person-to-person communications. They are: (1) The receiver must be tuned for reception. (2) The transmitter must be tuned for sending the message. (3) The right wave length must be selected. Trying to transmit or communicate before you have the receiver set on the channel you want to communicate through, reminds me of a story of a man who owned a parrot who had a bad habit of swearing. The man loved his parrot, but he said I can't keep him if I can't cure him of this profanity. So he gave him a real stern lecture and then said to him, "Nice day isn't it Polly," and Polly replied, "Damn nice day!" So the man grabbed him out of his cage and whirled him over his head and dumped him in a tub of water and almost killed the parrot. The parrot came up gasping and shaking and begging for air. So his owner said to him quite sternly, "Now then, it is a nice day isn't it, Polly?" He said, "Yes Sir, but where the hell were you when the typhoon hit?" So sometimes our people miss our message altogether of what we are trying to convey, because we haven't tuned them in on what we were saying.

Communication means giving and taking. Listening is as important as speaking or writing. A person cannot get through to you unless you're listening--and listening attentatively and alertly. Sometimes it's the nonverbal that is most effective if properly applied and the most dangerous if not properly applied. For this includes our attitudes, our facial expressions, our actions, beliefs, and our convictions. Most of us here, I imagine, are parents. Do you remember when that son or daughter of yours was real small, long before he could understand language and long before you could orally communicate with him? How you would stand over his little crib and you'd look down at him and you'd smile and make funny faces, and do you remember his response? He responded to your every move and your every action. Now, we forget that all of us are children, grown a little older and a little larger. We could remember the same treatment we used for response to children. How much does it work with adults? You will also remember that in rearing your children, your attitude played a very important role in their behavior. I can remember if my mother got up and she didn't feel well, it was reflected in the whole family the entire day. You could tell from the expression on her face, her moods and we all followed suit. And this is the exact same principal that can apply to your people. Your very attitude means more than a thousand words that you could say.

Let us enlarge a little on one of the necessary ingredients that I just mentioned in obtaining a line of communication -- our beliefs and our convictions! How truthful should we be with our people. The answer is, be truthful at all times. Never hedge or lie! If you can't give out certain information at a particular time, tell your people that you will let them know the news just as soon as you can. Even if the news isn't good, tell it. People resent stalling or untruths. It is most important to establish a climate in which employees feel free to talk to you without fear or retribution. If you are known to be honest and truthful with them, to respect their confidence, they will talk to you. But if they know that you use information against them or you expect them to spy on each other and report back to you or that you deliberately mislead them and tell them untruths, they'll clam up.

The very life blood of our companies and organizations today is being sapped by an inadequate understanding of how to communicate with people. We can't expect people to give their best, if we constantly remind them only of their worst work. I think we need to take a psychological approach rather than that of a psychiatrist's approach when dealing with our people. A psychiatrist says, "What is wrong with that person," and a psychologist says, "What's right with that person." The day of a closed mouth boss is over. Today employees are eager for all kinds of information, and smart management wants them to have it.

I would like to give you, for a minute, some of the methods we are using at the Regency to try to improve communication with our people. We have a thousand and seventeen employees there and it is a wide spectrum of different types of people. When I first went there, I was really scared to death, because I thought, how do you work out a communications system that will work with a person that can't write his own name and yet get through to a Ph.D. And its not easy, but we really tried there! Everybody really has to work out a good line of communication and we are pleased with some of the results we are getting. We do have first of all, an indoctrination and orientation program. As General Motors mentioned, ours is divided into two phases. We give them a brief phase, at the time of employment and then thirty days later, when we feel they have had a chance to feel at home, and feel their way around, we bring them back for another phase.

We adopted one method that has favorable results and that's the "buddy system." We do not have a trainer program like GM, which I think is fantastic, but our "buddy system" works similiarly for us. When a new employee is interviewed by our interview department and then by the supervisor and the decision is made to hire that employee, we bring a Buddy down to meet him, from the department in which he will work. We introduce the Buddy the day before he reports for work, the next day or whenever it is convenient. We let the employee go to lunch with the Buddy, or to a coffee break. We let the Buddy take him to the work area, show him what he will be doing, and what will be expected of him. The Buddy is responsible for that employee the first sixty days of his employment, which is all of the probationary period. On the fiftieth day of the new person's employment, the Buddy hands in an evaluation on the new worker. The supervisor also hands in a probationary evaluation. We compare the two, we bring in the Buddy and supervisor, and the two evaluation forms and we discuss them. Then we bring the employee in and we discuss it with him. This has proven to be helpful in many ways, not only for the new employee, but for the pride it has instilled in our old employees to feel that they are having a part in training a new person. And you should see the competition! Each Buddy wants his trainee to be the best worker in the department.

We hold a monthly departmental meeting, at which time the employees are asked to bring in any suggestions they may have for improving their work areas, or any problem they may be having. This departmental meeting is conducted by the supervisors, but with full employee participation. This instills a lot of pride in the employees to be able to help conduct their own departmental meeting. And I might add, they do a beautiful job.

We have training classes going for internal promotions. At the present time we have four classes a week going. If a girl is there who was hired as a bus girl, we'll say, and she would like to become a waitress, a cocktail or food waitress, she can sign up for any class she is interested in studying for in the hotel. We keep a list posted on the employee's bulletin board of the upcoming classes. If she wants to become a waitress, she can attend a class for waitresses that is held for six weeks, two days per week, two hours per session. At the end of that time she is evaluated, and if she has successfully completed the course and we feel she has possibilities, her name is next in line for the first opening of that type. Now, rather than hurt a person who has tried (if we feel she is not going to make it as a waitress and we are going to know that in the first three sessions we have with her), we call her into our office and we encourage her to go into another class. We do not hurt her ego! We tell her that we have seen things from her demonstration in the class that make us feel that her talents lie more in the area of a hostess, or in the area of clerical. So we steer her tactfully in dropping out of that waitress class. Instead of just calling her in and saying you are never going to make it, forget it! We offer her an alternative.

We are also conducting some special classes, and through the efforts of Mr. Joe Fuller with the Adult Vocational Training School here in Atlanta, we have completed, or are fixing to complete, training for a graduation class that we are more proud of than anything we have ever had at the Regency. We had 21 foreign speaking employees who could not utter one word of English, who could not understand one word you said to them. And it was as if they were living in a world all their own there, or in a world of darkness because they could not communicate. We had French, Italian, Greek, Spanish, Czechoslovakian. Mr. Fuller obtained a language teacher for us. We started these classes last fall. We are going to have graduation in July! We are so proud we do not have one employee in our hotel that doesn't speak beautiful English, and one cannot imagine what it has done to their personality alone. Those fellows you never saw smile at one time, you now see them just bubbling with enthusiasm! They can't wait to bring in somebody else that needs English classes. So we decided to open it to other people. Another thing we accomplished, was that we've taught these individuals how to speak and communicate. However, what happens to him when he goes home at night? He is again shut out from this world because his wife doesn't speak English and his children have not yet learned to speak English. So we then started classes for the rest of the family. It has made so much difference in the whole family and it was very little effort on our part, and it has really paid off. I feel that if everybody else should leave us, there will be 21 people I bet you couldn't make leave us--those people whom we have taught to speak the English language.

We have a suggestion box and I will add that it has paid off real well in our place. At first we had some negative comments come in as suggestions, but as said in the discussion group, they weren't negative, they turned out to be the most positive suggestions we ever had. In fact, it brought to our attention inefficiency in some supervision and made us aware of what was happening in the department. We have an employee of the month and we select one outstanding employee each month. Then, out of the twelve we select each month of the year, we have an employee of the year for whom we have a banquet and an awards dinner to which all of the employees are invited. This is really the highlight of their whole year. For the employee of the month, we blow up a great big photograph of the winner which we post in the employees' cafeteria. This means much to them to see their name and picture where all can see it. We also have profit sharing.

For sometime we had been thinking about what we could do to remind our employees of their outstanding fringe benefits. How could we remind them without making it sound like we were tooting our own horn, or bragging too much? We decided that each day we could feature a different fringe benefit on the employees' bulletin board. Trying that, we watched how many walked by without ever looking at the employees' bulletin board. Right away, we thought, this isn't going to work. The Regency gives free meals to all their employees, so we knew everybody ate there. Consequently, we got with the fellow who supplies our napkins and said, "We buy quite a few napkins from you for all these restaurants we have around here, and we would like for you to do us a favor." He asked what and was told, "We want to put some messages on those napkins, because people are going to use napkins." He agreed to do this and we worked up some very simple little matchstick characters, and now we have a different fringe benefit featured on the napkins each week. We use about six thousand of these a week so you can see how many times they see this message. These are very simple, like for example, we did a matchstick character of a guy starting to cross Ivy Street in front of St. Joseph's Hospital and being run down by a truck and it said, "Oh, thank goodness, I have hospitalization." You know, just very simple little messages. But it gets home to them and that has helped. When we think of ways to establish a communication line with our people, it sometimes reminds me of a comparison of cowboys and shepherds that my minister once used to illustrate points of leadership. I am wondering if ours is the role of a cowboy rounding up people and moving them out, keeping them counted and constrained, and unenlightened, or if our role is that of a sherherd, leading them somewhere, trying to help them grow, to learn for themselves and to meet the harsh realities of their environment. As we establish good communications with our people, enabling them to enjoy a greater freedom on the job, providing them with the opportunity of commitment to goals, they will find something to care for!

Coping with Cultural Gap in Communication Skills

by

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The national Alliance of Businessmen's Program and other programs have dumped into your laps a large number of minority employees which you expect, after a time, to absorb effectively into your work force without reducing or destroying the actual productivity of your work force. The Atlanta Business Education and Research Foundation of which the Atlanta School of Business is the teaching arm has been working on this problem now for ten years, since 1961, but at another level -- in the classroom. The problem, however, is exactly the same. How do you get people of one cultural background to understand, that is, to communicate with people of another cultural background? The difficulty of the problem lies in the fact that communication has to be established. It is two way communication at that, before there can be understanding of cultural differences by both sides that will make overcoming the cultural gap possible. I want to get some brief definitions of the two parts of the subject -- cultural gap and communications skills. Cultural gap must be thought of by you, since you are my captive audience today, as a difference in cultures and not as no culture at all. It is the difference in cultures that you have difficulty with in establishing good communications. And I want you to think of it as a culture, as opposed to maybe your culture, a culture that has grown out of motivation, out of opportunity, and that sort of thing.

The hourly workers of whom we speak do have a culture and you must recognize it. Like all other cultures it has grown out of either opportunity or limitation of opportunity. We don't develop habits not needed for survival. The culture of the laboring class is different from the white collar and semi- or professional class.

In ten years we have discovered that the first step in bridging the cultural gap to better communications skills is recognizing the existence of a culture of a kind in the ghetto and showing some respect and understanding for that culture. We find no need for another study to determine why newly employed blacks or rural entries into the labor market fail to report to work on time and don't listen to or follow instructions. They have never had a need to do these things. Why get to work at exactly 8 o'clock when I'm going to be with you all day anyway! And you've got to understand that is a culture, a way of life, or the "that'll do" theory. We have been getting by with "that'll do" for a long time. Now why have you got to have it done just so. Why has the nut got to be just so tight when "that'll do" has served my purposes for a long time and has become a part of my culture. Do you want to communicate at this point? Let them know that you understand their lack of knowledge of a culture that motivates you. And explain why a shift to another way of life is essential. Then you have begun to bridge the gap to better understanding which is the basis of developing communication skills. Be too critical and demanding at this point without recognizing their culture and they'll turn you off! Literally tune you out! This is the mechanism they have developed in the defense of the survival of their own culture, which in many instances is of long duration and deeply rooted.

Want to turn them on again? Then acknowledge by your attitude, by your awareness of their culture, and by example the need for some acceptance of your culture. For instance, what happens when you are not here on time? The production line can't get started. Or what happens when you fail to tighten that nut, you get a reject! And we have got to start all over. Through the production of examples it will help him to understand why there is need for absorbing some of the other culture. Heaven, not all of it! He needs to know why it is important to get to work on time. He needs to know why it is important that he accept and carry out orders -- minutely, directly. He needs to know why it is important to follow procedures; how many people will be affected if he doesn't follow those procedures that are outlined. He needs to understand that you are not just trying to discipline him; you are not just trying to get him to do something you want him to do, but that he is a part of a bigger scheme of things. The sooner he realizes that he is a part of that bigger scheme, the sooner, of course, he will begin to absorb your culture. What often seems to be stupidity, unawareness, lack of presence of mind, unwillingness to follow orders, and resentment of authority, is a culture developed out of lack of need for motivation, because of years of deprivation. So the gap we are trying to bridge to better communications skills is in reality the space between two cultures, both of which have their reason for being!

We can cope with this gap now in our institution where we are preparing blacks to work in your institutions in a sort of "catch-all" orientation program, by first developing in these black students an awareness of the gap, pointing out the strong differences and explaining why they are there. Next, we point out the advantages of the other culture! Some of these advantages are better jobs, more money to spend, rather than to save, better housing, mobility of all types, upward mobility, outward mobility, a chance to travel, a chance to maybe get on an airplane and fly to New York. Once we get a good lively discussion on the differences and advantages of some change from one culture to the other, we begin to work in developing better communication skills.

Now, if by developing better communication skills for hourly workers who have created a need for this conference, you mean speaking completely standard dialect, you might as well forget it! A people who have spoken a dialect of their own for a lifetime aren't going to change that dialect completely. In our training program we have these people captive for anywhere from six months to two years for six hours a day, and every teacher is stressing the use of expressions that will develop a passport language-- a passport to passing a test, to getting a better job, or to holding that job. Gradually, the student sees developing better or more standard communication skills as a means of improving his lot in every respect. That is the motivation to keep learning! That is the carrot we keep dangling in front of them! By the use of hours of an audio-aural procedure (practicing standard dialect aloud) and a little review of the basic principles of grammar, the student soon enters a new world of communications, a new world which has begun to bridge the gap between his culture and the downtown culture. While we are insisting that he keep his original dialect, he loses it by concentration on standard dialect. He builds bridges in language and better communication skills which is bolstered by an attitude training from us which he is now ready to accept, always with that carrot dangling in front of him!

If by communication skills you mean developing the ability to understand and carry out instructions, performing work with the preciseness that is not characteristic of his culture, understanding the need to get to work on time, taking pride in his work and so on, then we are in business. To you who supervise hourly employees of the type covered by this conference, your process must be the same as ours at Atlanta School of Business, except that it is on the job.

There must be orientation that subtly explains the cultural differences. There must be an understanding supervisor or foreman who continues this orientation by making the employee feel wanted and needed on the job. The attitude that "We have given this guy a chance, why doesn't he appreciate it," simply broadens the gap instead of narrowing the gap. Then begins the development of better communications skills, through talking about the job with other employees, the higher the level the better. You don't learn much about understanding what other people are talking about by talking to yourself or even others at your same level. Changing attitudes may mean breaking into the lunch circle where people tend to group. But new employees tend to get off to themselves. It may mean assigning a cooperative senior worker to do this. The informal circle must be broken into and questions asked and answered at times when the employee is not under supervision, when he can sort of let his hair down and feel that the supervisor is letting his hair down. It is then that he learns, that is his classroom. It can't be done during working hours when he has to screw that nut and tighten that bolt and that sort of thing. It is at this point that audio-aural area of training occurs-where the worker learns better communication skills in the same way he learned his non-standard dialect, listening and talking. He didn't learn non-standard dialect out of a textbook.

I understand that they are developing some courses at one of the Universities in New York, where they will take people from the "ghetto" and teach them Negro dialect. Well, they are teaching them something they already know! That doesn't seem to make any sense. What this employee needs is informal conversation so he can listen to you, and so you can get his attention. This is your opportunity to get his attention without using a two-by-four as the farmer finally had to do on the mule. In this, you have a form of the classroom period for informal explanations of things that happen and things that don't happen. It is so much more comfortable at this period because everybody is relaxed. Remember now, these workers are accustomed to turning you off at times just out of habit. Supervisors and foremen must repeat orders and ask them to be repeated by workers to be sure that there are communication waves. It must be done with patience and understanding. Impatience is the beginning of a resentment that sends the whole communications process backward. And these workers are sensitive enough to smell impatience a mile away. So coping with the communication cultural gap in skills seems to us after ten years of research and study to mean, first, recognizing that the gap exists and understanding why. Second, defining for the hourly workers the advantages of change, and keeping that carrot out front. Third, developing cooperation between new and veteran employees who don't mind explaining the system in simple language. The more this worker hears the sooner he bridges the gap between his culture and yours and the sooner he begins to communicate at a level that makes him an effective and profitable worker.

Cooperative Adult Education
(a) Atlanta Public Schools Program

by
Joe Fuller
Coordinator Adult Basic Education
Atlanta and Fulton County Public Schools

We appreciate the efforts of Prof. Fulmer and his staff in coordinating the activities of this conference where industrialists, educators, unionists and people from other agencies have come together to improve the productivity of hourly workers. Incidentally, you might be interested in knowing that adult basic education instructors are hourly paid workers. During this fiscal year they provided instruction for some 5000 adults, 16 years old and older, zero to eighth grade preparation level and GED preparation through TV high school. Most of these instructional services were channeled through industry and business. We have a simple package plan for services. You tell us your educational ill! We diagnose and prescribe, and we attempt to cure.

May I give you an illustration how we do our job! Several months ago the proprietor of a restaurant, well-known for Southern cooking and Southern atmosphere contacted my office for services. This gentleman wished us to come in and teach his employees to read, write and speak better so that they could more effectively do the job. The uniqueness of this establishment of Southern cooking and Southern atmosphere is that it is owned and completely staffed by foreign people. He wished that his people could learn to read the menus better, that they could do better jobs, that they could speak English more effectively, and with a Southern drawl. With the institution's objectives in mind, we began to see what the workers wanted. They wanted all of this. They wanted to do a more effective job. They also wanted to know how to compute overtime pay, social security benefits, workman's compensation, and how to integrate themselves into a foreign culture. A teacher was selected! As in all instances in operations of this sort, she studied the restaurant, its workings. She was there for many days, learning the "ropes" from the time the food is ordered till it arrives in the pantry, when it is cooked, when it is served, and when the customer pays the bill. She designed a program to fit this particular restaurant's needs. She started out with the materials from her textbooks and incorporated materials from the restaurant, the menus, the salesbooks, the orderbooks, the different things that they use. She said to me one day, "Mr. Fuller, I never thought I'd live to see the day that the recipe for cracklin' bread was written in German." The classes were to be held each afternoon after the lunch hour and before the dinner hour, in the wine cellar. For the duration of this program we had the highest attendance in town. We did the job in ten months; we don't need to stay forever! We had a satisfactory evaluation, which was from those we do the job for.

I hope that you will visit this wonderful restaurant in Atlanta which specializes in Southern cooking, and it is southern cooking at its best.

But don't be surprised if you hear the waiter say to you, "What do you want, you all?" Mrs. Gurley has been most generous in her remarks about the ESL program at the Regency. We could not have succeeded there without Mrs. Gurley's leadership. And we cannot succeed with you in any of your settings without your leadership! We hope today, in this conference where we are all working together for the same thing, that the big and powerful hands of industry and business will join with the hands of education. And that you and I together will form a coalition to improve the quality of living for our people in our community and in our nation through our work.

Cooperative Adult Education
(b) Mead Company Program

by
Robert E. Ervin
Training and Development Specialist
Mead Packaging Division of Mead Corporation

Adult Basic Education at Mead Packaging had its beginning in 1968. At that time we started out with only a part-time instructor who came over twice weekly for two hours a day. As the interest and participation in our program began to grow, we soon had to hire another part-time instructor to come in another two days a week. We attribute our early success and even the success that we are currently experiencing to two main factors. First, would be the support of the Atlanta Board of Education and Mead Packaging Management in committing the materials, the facilities and the instructor. All of these provided the opportunity for our adult employees to participate in Adult Basic Education. And secondly, we were fortunate enough to get a very dynamic, dedicated, and talented instructor, one who was able to relate very easily with our top management as well as our production employees on the floor. It was not an uncommon sight to walk in her classroom and see fifteen of our students in there and back in the corner another fifteen children. She would encourage those students to bring their children to class with them, because so many of them had to baby-sit in the afternoon. It was a beautiful sight, and she kept them all busy.

In January of 1969, Mead Packaging was awarded an MA contract in conjunction with the National Alliance of Businessmen and the U. S. Department of Labor. Our objective was to hire and train 180 disadvantaged individuals. This was a two year contract. Because a major part of our training program was to include job related basic education, we felt the need to hire a full-time instructor. And this we did. His job was to teach job related education to our trainees as well as to conduct the adult basic education classes for our regular production employees. In November 1969, we entered an expanded program. The Atlanta and state boards of education provided us with a complete learning center -- one of the first of its kind initiated into industry. Approximately $6,000 worth of educational materials were available to us for our very first class in the fall of 1969. In January of 1970, our program was further expanded. Then the Atlanta Board installed an electronics learning laboratory. This new equipment included fifteen study booths with headsets and instructors' master console. There were two tape decks with the master console and a turntable. Also with this equipment we had many prerecorded tapes, filmstrips, records, a television and books on various topics -- mathematics, social studies, science, and even areas for individual development.

Our next effort was to invite representatives of industry in our area to come to our facility for lunch. And we did this to solicit them to go out into their plants and invite their employees to come to our facility. There would be no cost to either the company or to the employee. We also advertised through the various news media for individuals in the community who felt the need to advance themselves educationally, to come to take advantage of our facility, and again with no cost to them. The only commitment they were to make was their own time to continue their educational development. With all these people coming in, we realized that many of them would be coming in for different reasons. Of course, our first effort was to find out what those reasons were -- some to advance himself so that promotional opportunities would be available, some wanted to obtain their high school diploma, some simply wanted to catch up with their children, and some had only specific objectives as how to write a check. Of course, there were also some who just wanted to learn for learning's sake. I was a little suspicious of those because our instructor was very, very attractive. These diverse reasons demanded highly individualized programs, because there were so many for so many different reasons. Of course we tried to provide these individual programs.

We divided the program into three phases. Phase 1 included the job related ABE; this was for training in our disadvantage program. Phase 2 included instructions for employees who had completed less than the eighth grade or were functioning below the eighth grade level. Under Phase 2 we divided this into three levels from grades 0-3 was level one. The grades 4,5,6 category was labeled level two and 7 & 8 was level three.

Under Phase 2 we also took care of specific objectives. I recall specifically one lady who had worked for Mead for thirty years. She called to find out if she could participate in our ABE sessions. After receiving an affirmative answer she came in for us to assess her aims and interests. She said that her children had been writing checks for her all her life and she had gotten tired of it and she wanted to learn how to write a check herself. This is all she wanted to do. We had many similar incidents. Phase 3 included our GED program. These were for our employees who had completed the eighth grade but did not stay to get their high school diploma. They wanted to prepare themselves to take the GED test. Fortunately, we had our first group of persons taking the GED test last year or '70. We had ten persons in the preparation. All ten went down, took the test and successfully passed it the first try. Needless to say when you are trying to sell a program, this is the best drawing card available. This shows that people do not learn simply by being told, but by experiencing the consequences of their actions. The people in the plant could see the tangible benefit of coming to our classes. And this greatly improved our recruitment efforts. We also were able to convey the fact that learning can take place in other situations than the old classroom. It takes imagination, it takes materials, facilities, supplies; it takes commitments from the management and the Board of Education. But most of all we find that it all boils down to the instructor. No matter how much equipment you had in there, you've got to get an instructor who can relate to the employees, who is able to find out exactly why this guy is in here. We call this entering behavior. When a guy walks in the door, we like to find out what his aim is. If he simply wants to learn to read certain kinds of books, then it is irrelevant and unnecessary to construct a program of mathematics for him even though we might feel that he needs it. So I'm saying that the instructor is the key and what he teaches must be relevant to the learner.

MODERATOR: In conjunction with this matter of communications I can't resist putting in a word here. I happen to be involved in a very extensive research project in which we are contacting some 30,000 employees in a company to secure information about communications. One of the questions that we ask is, how do you like to receive information about your company from your company? I am amazed at the number of responses that I am getting back that say, "I would like to get it from my immediate supervisor if he were informed and knew the facts, but they don't." I would like to point out that we sometimes emphasize communications to hourly workers,yet frequently, we fail to communicate to those people who have a direct responsibility for communicating to those workers. We fail to supply our supervisors with the first-hand information they need in order to keep this communication chain going. I may add one more thing to your list on how to communicate. We are also getting a large number of responses to this question by saying, "I would like the opportunity to take a tour through the plant." They have no idea how the rest of the organization works and how their job fits in with the other activities within the organization. I surmise many of the employees in your companies would like the opportunity to do something similar.

Discussion

MODERATOR: I wonder how often you've heard phrases such as these: He didn't follow instructions, he didn't understand what I said, he didn't read the bulletin, what did I say that hurt her feelings, why didn't anybody listen to me? These are some of the questions it seems to me that these people have been addressing themselves to and I think that all of them have made very fine presentations and are ready to entertain in a very expert manner your questions.

AUDIENCE: What measures of success from your program relative to the 180 you had can you cite?

ERVIN: Of course this does not mean we brought in 180. We did have turnover, some controllable and some uncontrollable turnover. But we feel this program was extremely successful because of our retention figures and the upward mobility experienced by our trainees.

RUNDLETT: We have many instances, and incidentally we have conducted them from the Atlanta Basic Adult Education Program here in our syrup factory right across the street. This was very high in success. As I recall, we had only 1 drop-out of 31 people. This was on a voluntary basis, after hours. So, I'm all for it. We have it in Chicago. But when we go to some of the other places they say we don't have enough people to make up a class. We've got maybe just one or two people, and one fellow needs this level of math and another needs this level of reading comprehension. And, very frankly, I haven't found the answer to it although we've been beseiged by Mind, Inc., and Learning Foundations and all the others. But I haven't found the answer and maybe some of you people can help me.

FULLER: We are moving rapidly into the area of adult basic education in what we call programmed instruction. It is when we diagnose the level of the student, where he is in math, etc. We start him out right there. With this type of instruction he can proceed individually at his own speed. He is not in a group study that all the people in the group are taught decimals. He may not need this; he may need something else. With this type of instruction we are able to more adequately take care of the serious needs than we have heretofore. We are not there and are trying to get there. Does this answer your question?

RUNDLETT: This is exactly what I directed myself to. Let me cite two instances that might make it more meaningful. Both were in Baltimore only a few months ago. One of these was a fellow who was training to be a route salesman which involved selling Coke out of the truck to the merchant. He could do everything, drive the truck, build the displays and everything required; but he couldn't write up a sales ticket which was simple addition and multiplication. And we had what we called an "idiot" card. And it had a lot of the multiplication done for him. Actually, in California, we've gone further than that. We've got the sales ticket pre-computed on a computer so that they're extended a day ahead. Maybe this will solve a lot of our problem. But here was a man whose earning level could have been increased by 25 or 30 per cent from an almost subsistence type job to a really meaningful job and an opportunity to go on and possibly make supervisor. Another instance was where we had a man doing plain manual work in shipping and loading, making a bare level of existence pay. He said he wanted to become a fork-lift operator, and we said fine because the other man was moving out. So, we taught him to drive the truck but then he couldn't read the job orders for load-ups. So here we had two different problems--two different individuals whom we would have liked to help, and for one reason or another they weren't motivated enough to go to night school. We had no way, we couldn't find any devices or tools or programmed instruction to help these two individuals overcome their hurdles. If we had, we would have had much more loyal employees; they themselves would have spread the word in the community that "The Coca-Cola Company has helped me to succeed and maybe it could help you too." It would have been a great thing if we could have done it but we just didn't know how.

FULLER: In the instance where you had a laborer motivated to become a fork-lift operator, the instructor could have found information comparable to his reading level. It would have to do with fork-lifting; he was motivated right there. We recently did a job for a local company. The problem was reading route slips. The teacher did not bring in a textbook. It lasted around three months. She used the route slips that were used on the job. This is the way she taught the communication skills and the arithmetic skills. There is no such thing as two people at the same level, ever, as you pointed out.

AUDIENCE: Mr. Ervin, do you have any problems like that?

ERVIN: Yes. My first question would be: If the man could not meet all the requirements for the job, and reading job orders is one, why was he promoted in the first place? You might have been able to provide a motivating device by saying, "If you learn this, you will be promoted."

RUNDLETT: We did, but he wasn't motivated enough to go to night school. We didn't know what to do in our own plant. We didn't have a classroom set up. What we needed was a one-to-one situation--one teacher one student. He could take off 1/2 hour early every Wednesday afternoon for 2 or 3 months until he could clear this hurdle.

ERVIN: Now, we did meet this problem. We had an instructor who normally taught in our job related adult basic education courses. Our instructor, before he taught the class, went out on the job. He learned the job descriptions and breakdowns to find out exactly what was required. This is what he taught in the classroom. He used job order slips that are major to a problem like that. But in education there is a point of no return. It's discouraging, but there it is.

RUNDLETT: I would still like to have an answer to my other question. When you just have one individual, what materials or resources are available to us either through local community schools or perhaps others?

FULLER: Let me respond to this for I have not answered what you asked. With the one student, you would not have an ABA or 12 per 3 hours of classes and this is a state regulation. But for your student where you have one man in the plant and you do not have enough to constitute a class, there are 12 learning or dropping centers in the city that are open--some 12 hours per day--that this man could be programmed into, possibly in his neighborhood. I believe this is what you are after.

RUNDLETT: Then I will have to ask you, if you are familiar enough to answer, is this generally available in most metropolitan areas across the country?

FULLER: I would say, Yes. Maybe not to the extent that we have developed it in Atlanta. You mentioned Baltimore. I would certainly say in the Washington area these centers would be available and set up for the purposes you are talking about, where a student cannot get education where he is--to attend an in-service training session in his plant. A learning center is available there at odd hours. We have one open from 12 a.m. to 8 a.m.

AUDIENCE: Mrs. Gurley, do you pay for the time and materials in your training program?

MRS. GURLEY: Yes, we do.

FULMER: Let me pose a question to the panel. The situation described by Mr. Rundlett of Coca-Cola where you have one individual with a serious learning handicap, what would be the possibility of assigning a "Buddy" to do that sort of training, where you have a one-to-one relationship?

MRS. GURLEY: I think you are very fortunate that you would have only one person that would need that kind of instruction. We thought we would only have 4 or 5 people needing basic reading and writing but we ended up with 32. So I believe there would possibly be more if you would scout around.

RUNDLETT: I am sure there are more people in Baltimore and we hope to get classes started up there this next fall. But we do have small operations with 10 or 12 people where there is just one who needs special help of some sort.

AUDIENCE: One thing bothers me a little bit, is how do you find the time to let your hair down and sit down and talk to your employees on a one-to-one basis away from prejudices?

DAVIS: One time I would suggest could be the lunch hour where supervisors or cooperative employees could do this. One instance I know of was at the Life Insurance Company of Georgia where one of the experienced employees would take a black girl to a table with some others until she gets accustomed to them and begins to communicate. The best time would be an informal time and the only one at work would be the lunch period.

AUDIENCE: Mrs. Gurley, what I'd like to know is what form of compensation if any, other than psychological did your "Buddy" get for doing this service for you? And the other question is related to the employee of the year and employee of the month: I would like to know how this employee is selected and on what basis.

MRS. GURLEY: On the "Buddy" system, if the person stays with us six months that has been trained by the employee, they are given two days pay extra bonus. If they stay with us one year, they have two extra days added to their vacation that year. Now on our employee of the month, we take recommendations. We ask for recommendations from all supervisors for employees in their department. I'm not quite sure that is the best thing to do. I think if you could have it so more employees participated, it would be fine. But we tried that and we found just human nature, being what it is, that twelve employees in a department would get together and vote for their friend for employee of the month. And maybe she just wasn't worth anything. So we found that wasn't a very successful way. So we take an evaluation from the supervisor, getting his recommendation. The employee is discussed in staff meetings for merits as to why they should have it or should not have it. We take as many nominations as anyone wants to put in. Then the entire staff votes on the employee of the month. Then for the employee of the year, we take the twelve employees of the month for the whole year. From their personnel records for that year and the evaluations that have been put in their files for the whole year, including any outstanding letters that have been handed in on them, we then vote on the employee of the year.

AUDIENCE: Mrs. Gurley, in your presentation you mentioned how you, the employee, and his "Buddy" sat down and discussed all the ways all the employees, as well as the supervisors, could help each other.

MRS. GURLEY: I think you'll remember when I did the evaluations, the supervisor, the "Buddy" and I went over it first. Then we discussed it with the employee. Now you're not going to be able to select a "Buddy" who will not be partial in his judgment somewhat. You must be careful that the "Buddy" you select will be fair. I think evaluations of employees are no good at all unless you level with the employee about them. I had one supervisor who turned in her annual evaluations and said, "Can you just put them in the file and hide them?" I said, "No, he is going over it, so you be sure it is what you want him to know." And this makes the supervisor honest. Also, an evaluation is no good unless the person knows about it.

AUDIENCE: When the employee hears an unfavorable judgment, does he automatically have a mental block against the supervisor?

MRS. GURLEY: I have not had that problem. I think that is a result of the kind of questions asked. We made up our own and tried to make them fair.

AUDIENCE: I would like to ask Mrs. Gurley about the disadvantaged. Do they adapt very well and participate in company activities?

MRS. GURLEY: I think I can answer. It is extremely difficult because most of their problems are not with the job but relating with the people with whom they work. And they have tremendous problems initially in this area.

AUDIENCE: Mrs. Gurley, in your employee of the month program, do your people have to meet specific criteria or is it subjective ratings by the supervisors?

MRS. GURLEY: It is subjective rating.

FULMER: On that question, when you said subjective rating, you are specific in the facts given, pro and con, and made in simple language that they can admit the truth. Is that right?

MRS. GURLEY: Yes. We do not have any certain form but they know certain criteria must be met such as attitude, punctuality, attendance, loyalty to the company and fellow employees, manners, and grooming. There are a lot of things included in the evaluation.

AUDIENCE: I would like to direct this question to the whole panel. There are a number of publishing houses who sell little flyers to put in payroll envelopes. Do you find these effective in communication?

MRS. GURLEY: There are many that are not helpful to us but I have used some and found they are not effective when timed more often than every 3 months. So I do it when least expected and on pondering type subjects.

AUDIENCE: Thank you. We use them on absenteeism. Mr. Davis, would you care to comment?

DAVIS: Well, many black employees grew up in the environment of their parents, not going to work on time. The way to remind them would not be by a note in the pay envelope but by a reduction in pay for being tardy and that sort of thing. It is a tremendous habit which is hard to break. We do it in our situation by simply saying you can be absent any day but Monday. If you deprive them of absences, then resentment is built up. If we get them in on Monday, they will come the rest of the week. Now with new employees we have to reach in the pocketbook. I don't know any other way except that which will be effective. I think there needs to be an explanation by having a conference. So the only effective way I know is through the pay check.

RUNDLETT: I would like to address this question to anyone qualified to answer. Does any company here have a 4-day work week?

AUDIENCE: Yes, we tried this. I work in a shoe factory in South Georgia. We tried it about 3 months. We finally abandoned it because we couldn't get people. The factory ran 24 hours a day, 6 or 7 days a week. Everyone wanted Monday through Thursday. And nobody wanted to work Friday through Sunday.

AUDIENCE: A company in Florida had the problem you just mentioned. They had an odd set up for one of their shifts. It was designated the third shift which worked 10 hours Saturday and Sunday and 10 hours Monday and Tuesday night. We found this to be a few percentage points less popular than Monday through Friday. It may be because Florida has many recreational opportunities. This also was very convenient for students working there.

DAVIS: I would like to know how many of you have or are now participating in the minority employment programs and what did you find relative to absences on Mondays or tardiness? Did you find any solutions because it would help us in doing our training programs?

FULMER: I would like to digest for you an article I read on absenteeism of the Hard-Core. It was reported by a manufacturer of electrical equipment. Absenteeism was very high initially. They found two very important factors contributing to a high absenteeism rate. First, many workers couldn't figure out a bus route because of reading and calculating problems. The company helped to determine bus routes and started a pickup service. But that was not the major reason. They checked into their backgrounds and found that almost none had alarm clocks. So the company furnished clocks and showed how to allow time for getting up, etc. After this the absenteeism rate for the Hard-Core dropped below that of typical factory workers. I am sorry that I cannot remember the article because I read it some time ago.

AUDIENCE: We had a job program for disadvantaged people. And, there is a difference of opinion between me and the government representatives who come to inspect our program--it being whether or not to identify these employees to their fellow employees and supervisors. I would like to hear someone's opinion or comment.

DAVIS: The quicker they can be absorbed without that identification the better off they and everyone else will be. We have a similar problem when training people from various agencies, like the Department of Family and Children Services. We once had a group of unwed mothers and instead of training them as a separate group we mixed them in with other groups. They were absorbed at once and no one could tell them from a wed mother.

AUDIENCE: The representatives from the federal government were very appalled that these people were not identified to their supervisors and fellow workers. Their reason being that they needed extra attention and patience. I couldn't buy it.

AUDIENCE: I think the supervisor does have to know and also the "Buddy" if you use that system. This is because special consideration has to be given. I do not think this information should be let out to the other workers because the man has to be absorbed quickly.

ERVIN: We had a similar incident and we took the new workers on a plant tour. This caused problems because it was known to the employees who these new people were and everyone would stop working to watch them go through. So, we gave them note pads to carry, then everyone thought they were inspectors and didn't stop working to stare.

AUDIENCE: A federal representative talked to us 3 weeks ago about their program. There are several parts of the program; for the "on the job training" part, they're in favor of letting workers mix. But, when it comes to the personnel file, it should be kept separate and labeled "Hard-Core" for quick identification.

MODERATOR: I will give a little back up. Some of you may be wondering why we're looking at problem counseling for workers. Actually if your worker is troubled, irrespective of for what reason, he is going to be less effective. Sometimes a little word of advice from the right person will set this man back on the trail. As you know I began working on this program in December. I had several hundred telephone calls and had a lot of suggestions back and forth, and as I pointed out to you previously, this conference is an outgrowth of other conferences we have had. This is to obtain information available from the business and industrial sectors which the academicians do not have. We are trying to get passed on to us that information. This sort of thing struck me! The average worker doesn't have much education, particularly hourly workers. Seventh grade education maybe and he has done pretty well in school! The world we live in is very complex. Most of the time he is confused and he may be lost. And society and the politicians have failed to recognize this. Have they not? Therefore, we have created agency after agency to try to help these people. And these agencies are well meaning and well organized. But they have the same problem with them that you have, and that is communication. About a decade ago I was doing work in a Ghetto area across town and we found that people there didn't know that they could get medical help at Grady Hospital. They hadn't been there, and even after we told them how they could get there, they couldn't find their way to the hospital. Now this is pathetic. But the person the outfit, the organization that has continuous contact with the workers is the employer. Everyday some supervisor is in touch with that man. He knows that something is troubling him and he might discover it, or if not send him to a counseling session. I would like to venture that we are opening a new frontier here! I am not advocating that you take on large financial burdens. I am just saying let's think about it! We are spending billions of dollars to accomplish certain things through the federal government. If we had some way of funding these programs through companies in a minor way, we would have a magical way of accomplishing some of the things we want to accomplish.

PROBLEM COUNSELING FOR WORKERS

Comments On The Open Door Policy

by
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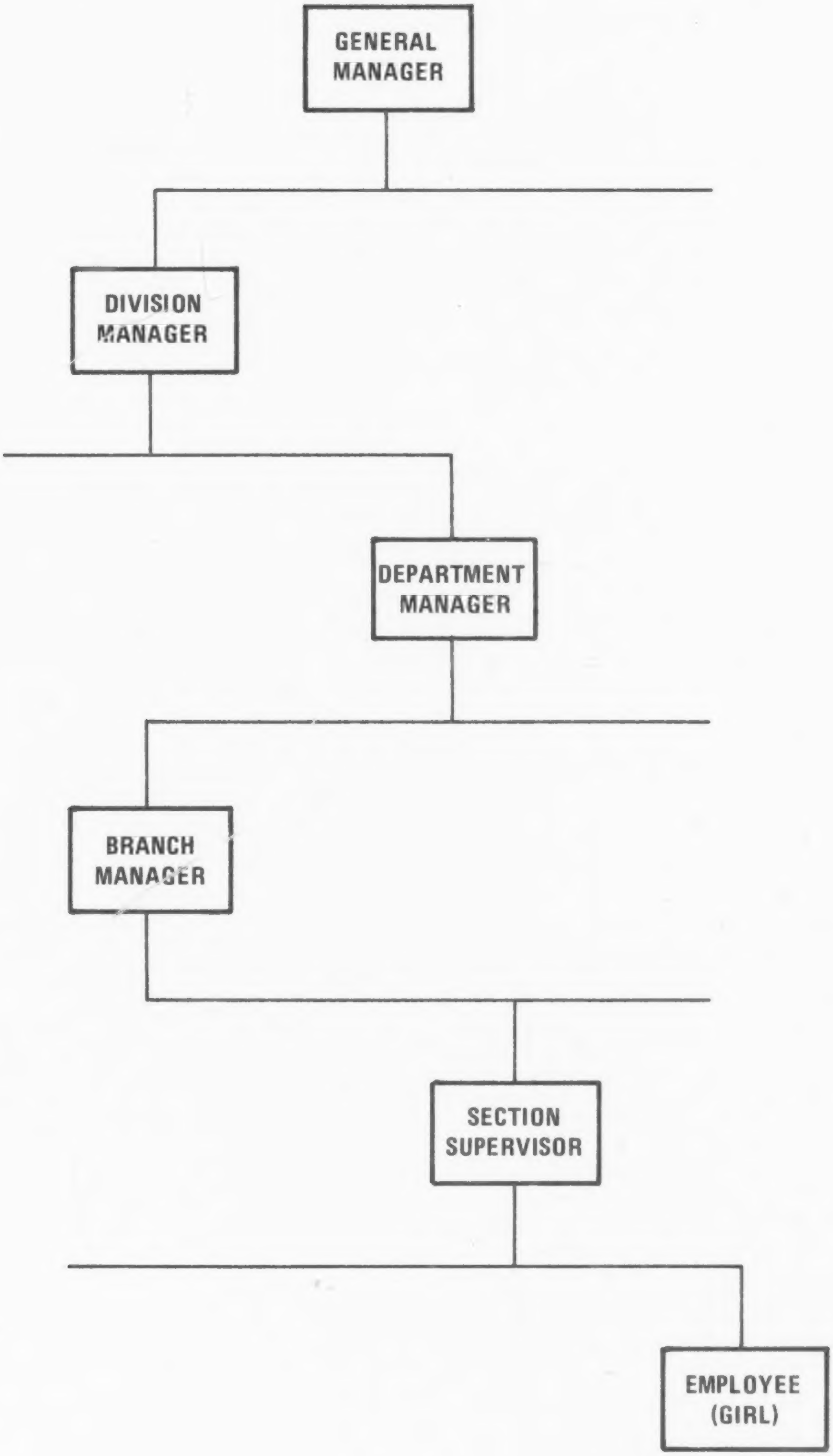
Let me take just a minute here, since I do deal with this open door policy from time to time, and talk about some of the issues involved in it briefly. I should like to talk about why this open door policy comes into question, why it is essential, and how it can be abused. Let's establish an organization chart, as shown in the graph on the next page, and suppose that we have a general manager, a division manager, a department manager, a branch manager, and a section supervisor.

Now, we can talk about the open door policy at any level here. Let's assume that the General Manager originates a statement saying that anybody in the organization below his level is welcome to visit him with their problems. Right! Why does he do that? Well, this is very simple. It is what we call the filtering effect that takes place all up and down the line, as you probably know. Let's just suppose that I am in this second rank position of Division Manager. Now it is true that I have an obligation to report to my superior those things going on down here at lower levels that he should know about. As a matter of fact, if gripes from employees exist down here, whether they are operating employees or other supervisors, I have an obligation to speed this information up to him. And I may be honest as I try to feed it up to him. But the only thing that happens here is that I filter out those things that are going to make "Green" look bad. I may not intend to do that, but then, on the other hand, I may intend very purposely to do that. But it has the effect anyway, because I would be pretty stupid if I reported to my chief something that's going to make me look bad, particularly if I think I can shade it or color it to remove all the mistakes that appear to be mine. Well, so far, so good, except that this is a part of the over-all information system which to this point isn't very good with this filtering out having taken place. Why have it then? Well, as Mrs. Gurley pointed out this morning, you must have people who give information. You have to have people who receive information, and we have to have a closed circuit for this information and communication process. Therefore, we use this device to make it possible for anybody at any level to come up here to see the chief (General Manager).

Now, you may say, so far, so good, except what happens in this case. Well, there are a couple of difficulties here that are inherent in it. Suppose that I state to the Department Manager that we follow the policy of having "open door," I will listen to anybody. Now when the person who wants


GENERAL MANAGER
DIVISION MANAGER
DEPARTMENT MANAGER
BRANCH MANAGER
SECTION SUPERVISOR
EMPLOYEE (GIRL)

to come in and talk about a problem, he or she is met by the executive secretary who says, "Now what is it that you wanted to see Mr. So and So about?" and that cuts it out right there. Because that person may very well not trust the executive secretary, he says, "Forget it!" Or perhaps another response is given, "Well, he is pretty busy right now. Could you come back tomorrow?" Well, that is reasonable one time, but when you come back tomorrow and the response is, "Well, he is pretty busy again today, could you come back next week?" Now, here is a case where communication has taken place in a very effective fashion. It has been communicated very effectively to that employee--don't come back any more, the open door isn't really open, and so cynicism has set in now. The open door doesn't exist any more.

Now, that is one side of the problem. The other side of the problem is what's going to happen with this Department Manager if he does, indeed, listen to the problem, listen to the "beef," the "gripe," and decides to do something about it. It is very important how he does something about it. Let's suppose that this is the problem right here. This girl mentions it to the supervisor who shouldn't have been there in the first place. Let us suppose that this supervisor is the problem. So, this General Manager goes down here, and he begins to go around his Department Manager, Branch Manager, and around his supervisor and direct to the employee. Well, he has respectively removed these three from the management ranks. He has decimated their authority. He is pretty well on his way perhaps to correcting one problem but creating a lot more.

Occupational Medicine Today and in the Future

by

Robert P. Cunningham, M.D.
Medical Director
Southern Bell Telephone & Telegraph Company

It is a pleasure to participate in this conference on productivity. I am sure that everyone of you would agree that productivity is related to the health of the employee. Without good health, mental and physical, productivity is certainly not likely to increase and, on the contrary, quite likely to fall. I would like to discuss with you today occupational medicine and its role in the work place. Let me begin with a little about the history of occupational medicine and define this rather vague and somewhat foreign term, to me a few years ago, and I am sure to most of you now.

Initially, in industry the employer was the owner of the business and had no responsibility for the employees except to pay them. If the employee became ill or injured and unable to work, he was simply dropped from the payroll. The employee had no recourse except in the rare instance when injured on the job and when he could prove that there was some sort of negligence on the part of the employer, as being responsible for his injury. This relationship seemed right to the people at that time. But, gradually, concepts changed. An important milestone in this area was the Workmen's Compensation laws that developed in Western Europe in the last part of the 19th century. These laws provided that if an employee were injured on the job or made ill because of and in the course of his employment, the employer must provide medical care plus a portion of his salary while he was ill or a death benefit if he died. These laws then spread to the United States around 1911, and with slight variation now exist in all of our states. The Workmen's Compensation laws provided a real economic incentive to industry to develop special programs, to develop medical services. Initially, these medical services were concerned primarily with that of on the job injuries. They developed systems by which injuries could be promptly treated. They then began to examine applicants to try to assure the company that only those with normal health standards were hired into the work force. Obvious benefits began to accrue to the employee here, although these programs were initially put into effect for the benefit of the employer. During the 20's and the 30's organized labor began to gain some solid footholds in our country and made substantial progress in obtaining higher pay for their members. During World War II, wages being frozen, additional benefits were gained in the area of hospitalization, medical services, and disability insurance. These things could be bargained for in spite of the wage freeze. This has continued and because groups could obtain better and cheaper medical insurance than individuals, it is usual now in most of our industries that the employer will provide all or most of the benefits to employees as part of the compensations for their labors.

It is clear, therefore, that when an employee is put on the payroll many of our companies thereby, to a degree, guarantee that he is going to have a continued income whether he works or becomes disabled due to an illness or an injury either off the job or on the job, depending of course on various factors such as how long he has been with the company, etc.

Occupational medicine is a difficult term to define and some have even said it cannot be defined. But let's see if we can make it a little clearer for you. Occupational medicine is a term we use now, whereas in the past we called it industrial medicine. You have also heard of the "industrial" physician and "industrial" nurse. It was felt that this term was too narrow, too limiting, that the word industrial automatically would tend to exclude or omit workers in various fields, such as construction, agriculture, Civil Service, education, retail trade, transportation, and so forth. So the more inclusive term "occupational medicine" is the accepted term now.

Occupational medicine, then, is a specialty field of medicine that is concerned primarily with three areas. (1) It is concerned with the appraisal of the individual's health. It is concerned with the maintenance, the restoration, and the improvement of the health of the worker through the application of preventive medicine primarily. In addition, of course, to emergency care on the job, rehabilitation following illness or injury are other ways in which this is accomplished. (2) The promotion of a productive and fulfilling interaction between the worker and his work through the application of the principles of human behavior. (3) Occupational medicine is concerned with the active appreciation of the social, the economic, and the administrative needs of both the worker and the work community. This, then, is a rather broad definition that covers in general terms pretty well what is involved in occupational medicine.

My physician friends who are not familiar with occupational medicine ask me, "What do you do?" What does an occupational physician do? What service does he perform? He doesn't act as a private physician. He doesn't make house calls, what does he do? What does the program involve? And I think even though this definition is a good one, it is still rather general and broad and doesn't answer these questions too well.

An Occupational Medicine program can vary tremendously from industry to industry. Western Electric which is the manufacturing and the supply unit of the Bell System has probably close to 200,000 employees now. It has one of the largest medical staffs and one of the best occupational medicine programs of any industry in our country. For these nearly 200,000 employees, there is a staff of over 200 full time nurses, over 45 full time physicians, over 75 part time physicians, and many technicians. This is a large medical program for a large industry. The majority of enterprises in this country, of course, are small and employ a few people and are not covered by such a medical program as this. They may have no relationship to an occupational physician as such at all. They may simply relate to a private physician who practices in the community, who helps them with their annual medical evaluations, and answers their needs in time of an industrial accident.

What I would like to do is to describe to you what an employee might experience as he approaches the job and as he is applying for it and how he might relate to an occupational medical program as he continues to work for a company through the years. And hopefully, this will help you to know a little more of just what we are talking about when we use the term "Occupational Medicine" and "Occupational Physician."

Let's begin with our employee prospect as he approaches the company of his choice seeking employment. After he has gone through the initial interview procedure and the company decides that he fulfills their needs and they desire him as an employee, he is referred to the medical department for a pre-employment evaluation. Hopefully, this evaluation is going to consider all the physical and emotional factors in this individual's make-up and background and will fit him to the proper job from a physical and emotional standpoint. During the pre-employment evaluation, we discover in his history, not in the physical examination, mind you, but in the health history, that he has had several episodes of back trouble. This began while he was in school and occurred when he lifted a heavy object. He experienced back pains that lasted only a few days, but was incapacitated at the time. And then on several occasions in the ensuing years he experienced some recurrences so that now nearly every time he is involved in lifting, or stooping, or must be in a cramped posture for a long period of time, he experiences some aggravation of this back problem. He has been thoroughly evaluated, and there is no apparent disc disease, and there is no need for surgery but he has what might be described as a "susceptible" back. We advised the employment office of this finding and that this employee is entirely acceptable except for this limitation. We feel that he is likely to continue to have this trouble in the future. We would advise employment with the limitation that he avoid lifting over a certain weight and avoid assuming certain positions. It is hoped that this company can find several types of jobs that are not involved with lifting and manual labor and will have a spot in which they could fit him. So you see we have done the employee and the company a service by fitting him to the job for which he is physically qualified.

Well, our employee goes along very well the first year and then he begins to incur absences from the job. His supervisor worries about this. It's more frequent than usual. It involves illnesses and complaints that don't seem to be of much significance. He complains with headaches, mild backaches or colds, or sore throats, etc. The problem reaches such a proportion that the supervisor feels something must be done. He doesn't know exactly what course to take, so he calls a meeting with the medical department and the employee and they sit down and discuss his attendance and arriving at no quick and ready solution, they decide that a medical evaluation is in order to determine if there is any health factor that might be causing this absenteeism. The employee is referred to the medical department where this evaluation is done. Again, the examination is pretty non-revealing and his health is generally good. The employee has suffered from various minor things; he has hay fever and a little sinus headache occasionally, and has some mild backaches, but he has been subject to these rather minor physical indispositions and simply staying at home. This is a way of life that he has learned. Besides that, some of his fellow workers do the same thing. So, this is a pattern which he is following. A little counseling and advice about his medical problems, where he might receive aid for these and what attention he might get on the job through the medical department or from his own private physician is given and this opportunity is taken to explain again to the employee his own responsibilities about attendance and about coming to work in spite of these minor complaints. We hope that the supervision of this incidental absence problem will result in an improved record. You might feel that this is not a real problem to industry, being off a day here and a day there. But when you analyze the records of many large companies, you find the "incidental absences"-- and in Southern Bell we use this term to refer to any absences less than 7 days -- are economically just as important as the more prolonged absences.

Our employee now is progressing very nicely, and his attendance has improved and he is getting along very well and then he has an on-the-job injury. Fortunately, it is not a severe one. He incurred a puncture wound of the skin with a bruised muscle and under ordinary circumstances without a company medical department being available he would have to spend about half of his day traveling to a physician and waiting to be seen to receive his tetanus shot and his treatment and has used a good portion of the day before getting back to work. The in-plant medical department manned by a nurse in this instance would have saved a lot in terms of time and cost for an injury such as this. In addition, the employee, soon after he came with the company a few years back, was given his tetanus shot, as he was in need of a booster. This proved to be a wise move because he's now suffered a puncture wound a few years later and all he's required to have now is another booster, rather than more expensive treatment. Had he experienced a more serious injury we would have become involved in a somewhat different manner. He would have been referred to a company or to a private physician for treatment and we would have been involved more with his rehabilitation and his return to duty through communication with his doctor and his supervisor.

Well, he is back at work now from his minor injury and has no particular problem. He begins now, as he has been with the company a few years, to undergo various types of annual examinations. He may avail himself of an annual screening physical examination if he qualifies for this. This examination, we hope, is going to detect disease early in its course and allow for treatment that may prevent more serious problems later in life. In addition to that, many companies, of course, sponsor mass employee screening evaluations; tuberculosis, chest X-ray screening, diabetes screenings, visual and glaucoma screenings; and he may benefit from a preventive medical standpoint in having these conditions detected.

Our employee has now reached the age of 50 and one day he suffers severe chest pains while on the job. He is brought to the company medical facility and the presumed diagnosis is a heart attack. Life-saving measures might be applied in some instances of a heart attack by the company nurse or doctor right there on the spot. He is referred to his private physician and counsel is maintained with this physician by the company doctor. Here, of course, the company legal department and the benefits department may have some questions for the medical department. This on-the-job occurence of his heart attack, does it have anything to do with his job? Was he doing anything at the time physically or emotionally that might have precipitated this heart attack? It makes a great deal of difference whether it becomes a compensable injury or not. His own department wants to know how long he is going to be off. Will he be able to return to his original job? Will he have to come back to some limited duty?

Here, the occupational physician plays a vital role and acts as a liason between the private physician and the company. Rather than waiting until six months later and finding out that he is not going to be able to come back to that job after all, we had better get busy and find some other type of work for him. We determine after a month or two that the likelihood is that this employee will not be able to return to his original job. He will need a change in jobs. So, while he is out recuperative plans are being made to shift him to another position when he does return. The company physician in supervising this illness, of course, is not going to urge him to return sooner than he should under ordinary circumstances. But, oftentimes, a private physician treating a case is not aware of the type of job that his patient performs. Rather than let the individual go back and possibly subject him to some unusual stresses, he simply keeps him out two or three months longer than is the average. Here the company physician can communicate with the private doctor, let him know what work is available, and encourage a return as soon as is practical.

The supervision of a long-term illness like this, as I mentioned previously, is equally as important as the control of short-term absences. The reduction of the severity rates of absences is a very important economic factor for industry. In Southern Bell, for example, last year we had some 8,000 employees who were absent for an average of approximately 35 days per case during the year. Thirty-five days is the "severity rate." If we could simply reduce this rate by just one day we would save in the order of $80,000 - $100,000 in salaries alone. It has been estimated for the entire Bell System that if we could reduce the severity rate of absences by three or four days we could pay for the entire cost of all the medical departments in the System through the salary savings alone.

Well, our employee returns for this change in jobs now. Fortunately, he is not one of those who has to avail himself of some of the other programs that the occupational physician might offer as, for example, in the area of drug abuse. This is something we all are going to be concerned with more and more. We know that both the use and the abuse of drugs is increasing in our society, particularly in the youth who are going through school now and who will bring this problem into the work force. If your business doesn't have this as a problem now, you very likely will have it in the near future, and of course, some already do. So, the screening of those who may be abusing drugs both prior to employment and after employment, is going to be an important function of the medical department. Alcoholism is another problem which has been important throughout the years and will continue to be in the future. It is estimated that anywhere from 1 to 2 percent of the employees in a company with a large percentage of female employees may have trouble with alcoholism. A company with a large percentage of male employees may have as high as 5 or 6 percent with alcohol abuse. Nationwide, the estimate is that anywhere from 2 to 3 percent of all workers in our country have a problem with alcohol abuse.

I have been encouraged since being associated with occupational medicine in seeing what can be done. Amazing rehabilitation rates in the range of 50 - 60 percent, of chronic alcoholics have been accomplished in some companies through their programs. When you are confronted with such rates as these you can't help being impressed with the potential of an occupational medical program dealing with this problem of alcoholism in industry. These then are some of the areas that have to do with occupational medicine at present. Now, I would like to touch on some of the things that may have to do with its future.

We are all well aware of, and are reminded every day, of the health care crisis that exists. I believe that we should all be convinced that there is no one health care resource that is going to be the answer to all people in all areas of the delivery of health care. This crisis is everybody's crisis and the solution must lie, I think, not in the fragmentation of delivery, but in new ideas of cooperation between all the delivery systems in working together.

Some people don't feel that "occupational health" should even be a word. The individual's "health" that he brings to work in the morning is actually the same "health" he goes home with in the afternoon. We cannot ever separate the employee's health, mental and physical, from how it relates to his family's health, mental and physical and his community's health, mental and physical. One of the roles which occupational medicine is playing now and can play more in the future is that of giving the employee access to the delivery of health care in our country. So many employees do not have private physicians. They do not then readily have access to the delivery of health care. The occupational physician and nurse can offer a portal of entry for this employee to gain access to it. They can see that they are referred appropriately to the right source for care rather than bouncing from one to two doctors they don't need to see in the first place, before they get to the one prepared to offer appropriate care.

As we consider these things, the work place, I believe, is a natural health care resource for preventive medicine. It is a natural resource for emphasizing health promotion through education, through screening health exams, through immunization programs, through safety programs, through rehabilitation, through mental health, fitness programs, weight control, anti-smoking programs and such as these. It has been said that the evolution of the modern occupational health program really has produced the only large-scale personal, adult health maintenance program in our country. I am not saying now Health "Care" Program, I am saying a Health "Maintenance" or Health "Preventive Medical" Program. The occupational health programs in industry really constitutes the only major programs of this sort in our country.

There is a great opportunity in this area of preventive medicine. The expanded use of para-medical personnel is being written about greatly now; trained medics coming out of the service being further trained to act as doctor's assistants. In Southern Bell we are using registered nurses more and more. We don't feel that the registered nurse has an advantage over the physician. We don't feel that she can do a better job than the physician. We simply don't have enough physicians to do the jobs we are talking about. We don't have enough doctors in our country to perform all of the pre-employment exams that need to be performed. We don't have enough physicians to perform the annual health evaluations needed. Hopefully, we have enough doctors to see those who are sick, but here is an opportunity to use effectively a para-medical person such as a nurse, in performing pre-employment evaluations and freeing the physician for more needed services. We are having our nurses perform pre-employments, which would not be appropriate in every industry; however, the nature of our work and the type of employee that comes to us makes this possible. Our nurses know the type jobs quite well in the company; they familiarize themselves with job requirements and they devote a great deal of time to the taking of the history and to a brief health evaluation. If any problems are detected on this evaluation they are, of course, referred on to a physician. In addition, in some of the other Bell System Companies, nurses have been sent back to school. In New York Bell, a group of nurses, all of whom had been away from any type of training for fifteen or twenty years, with an average age in the early 40's, was sent to medical school. The company talked to four or five medical schools before they could finally get one to agree to the program. They took a group of five nurses to train them in the art of physical diagnosis. They were put through the same course as the 2nd year Medical student, given the same studies and the same tests. They did amazingly well. They passed with flying colors, to say the least, and these nurses are now back in the occupational medical field in the New York Bell Telephone, performing annual physical evaluations, in addition to the pre-employment evaluations. They were not learning how to treat disease; they were learning how to recognize abnormal physical conditions.

I would like to say just a word about the impact of the new occupational health and safety act of 1970 which you've heard about. This is also called the Williams-Steiger Act. Much is being written about it now and if you haven't already been confronted with it, you will be. This Act is going to affect over 55 million workers in our country, involving over fifty thousand enterprises. The Department of Labor is going to be responsible for enforcing these standards. The Department of Health, Education, and Welfare, has a newly organized committee (the National Institute for Occupational Safety and Health) which is going to be responsible for research, for training, for investigation of toxic materials, for determining safe exposure levels in those materials we don't already know about. H.E.W. is going to be responsible for training the employer and the employee in learning how to administer this Act and what our responsibilities are under the Act. So, I will only touch briefly on it, but I know that we will want to know more about it and we will be hearing more in the very near future, as our businesses are visited by inspectors and we are confronted with the need to comply with the standards as set forth by the Department of Labor.

I would like to close, then, by saying a few words about mental health. Occupational medicine is seeking to find its role in the area of mental health. It is very easy for us to sit here and think of an industrial environment that has a minimal amount of stress to it and a maximum amount of support in a psychiatric sense, but it is an entirely different thing to actually create such a job. We are acquiring more knowledge in the behavioral sciences; we are understanding more about group dynamics. There are a lot of studies being carried out in this area, so that in the future, we will know more about putting the person in the proper job, and about giving him more adequate knowledge to meet his problems. In the meantime, we are seeing that industry in general is hiring more psychiatrists in an effort to treat emotional problems on the job and to help managers to understand themselves as well as their own people better. You might raise the question of what does industry have to do with emotional problems. We started out with a concept of Workmen's Compensation that if you had an accident on the job, suffered a physical disability, you were compensated for it. It soon became apparent though, that in the process of incurring this injury you might not only have a physical disability, but you might develop a mental or emotional disability along with it. In other words, you might develop what is commonly referred to as a "traumatic neurosis." You lose all five of your fingers in a big machine at work, you may not care so much about working around machines any more and you may not care so much for the experiences that tear you all to pieces emotionally to even get around machinery. You may now be just disabled in an emotional sense. Of course, this could be a compensable illness. It also may be assumed that mental illnesses can arise out of employment, unrelated to an injury and be a compensable job-related situation. Believe me, the courts of our land have given us this responsibility, whether we chose it in industry or not and the only conclusion that we can reach is that business has assumed a significant financial responsibility in this area of the emotional health of its employees.

Prevention is needed. We need to get people in the right kinds of jobs. When we talk about putting this individual in the right job, it is very difficult to assess an individual psychologically when he first comes to work. We need to do a better job of getting them in the right job to begin with. We need to establish policies within our companies that not only mental illness, but also alcoholism and at times drug abuse should be considered as legitimate illnesses. These are not moral problems for the most part, but illnesses that should be treated as such and we need to emphasize to our supervisors that they should help to identify these problems when they exist in employees and refer these employees to the company medical department or to other health agencies for advice and counsel.

The employee himself needs to be motivated to accept treatment for illnesses like these and to accept follow-up care. Let me close with two quotations that I think speak very pertinently to this point of job satisfaction and emotional health, and to some of the changes that we are seeing, and the demands that are being made by the employees.

The first is from the former Labor Secretary, Willard Wirtz, and this is a quote from a talk he made in 1967. He said, "Over the years, the changing nature of work has been the cause of the greatest continuing restructuring in American lives of any major force in our history--child labor, mass production, the assembly line, automation, unemployment insurance, welfare, and retirement plans, training and retraining--all have left and are still leaving an indelible mark on the kind of lives we live and hope to live now and in the future. It is clear that a new dimension is beginning to evolve in the company's responsibility for the welfare of the American wage earner--a dimension is extending beyond the traditional economic measures of employment, unemployment, wages and hours. We had better start trying to find out what kinds of jobs satisfy people. We had better get over the idea that the purpose of employment is to satisfy the needs of an economy, and we had better develop the idea that employment is to satisfy the desires of individuals. I understand life to be for individuals, rather than for an economy. I understand the individual to be the end and the economy to be nothing more than a very mean means."

Dr. Charles deCarlo, President of Sarah Lawrence College, speaks along these same lines: "It is not unreasonable to consider the large organization, spawned and developed through the agencies of science and technology, as an entity with its own demands for survival, with its own personality and nature, and with its own peculiar demands upon its individual members. These demands may at times be at cross purposes with the individual existence of its members, often causing severe emotional problems. Most psychiatrists would consider that the individual who is unable to adapt is indeed ill. But could it be that madness lies the other way? And as we look at potential changes in the meaning of work to the individual, it may well be that the organization is the one which must adapt the most to meet the characteristics, motivations, needs and demands of the specific individuals. At least, more fully than has been the case in the past or the present."

Child Care Services

by

Joseph Gross

Atlanta Representative

Day-Care and Child Development Council of America

One of the liabilities of speaking late in a program is that you hear a previous speaker say more effectively than you can yourself, the ideas you planned to express. I thank Dr. Cunningham for having done this for me, when he speaks about new dimensions in employment and new concepts of the role of the economy in the life of the individual.

I'm here as an advocate for an idea that occurs only on the fringes of the thinking of industrial managers. I hope you will nevertheless accord me the kind of response that was attributed to H. L. Menken. He had a great volume of mail from people who differed strongly with his views. He adopted a uniform method of responding. He wrote: "Dear Sir (or Madam): You may be right. Signed: H. L. Menken." I hope I get that kind of response from you for the brief statement that I make about Day Care in industry.

The question of day care for the children of women in industry has come strongly to the fore in the recent past. But it is not a new question. In World War II, the economy required the presence of large numbers of women in the labor force. Congress responded by providing Day Care in war-impacted areas under the Lanham Act. Some of those centers have survived to this day, survived without the support of industry, provided on a community basis.

More recently, day care has been greatly expanded by private proprietary centers, to a limited extent by government funded programs such as "Head-Start," and by the emergence of franchised day care operations. Industry itself has played a minor role in provision of these services.

My statement is intended to set forth some of the issues that may influence industrial managers relative to the provision for Day Care services. Employed women with children will not have to be persuaded that child care is a need that impinges on production. The availability of women for employment is often directly tied to the availability of resources for child care. Efficiency of performance and stability on the job are demonstrably linked to the arrangements for child care made by women workers. One major cause of absenteeism is the breakdown of individual child care arrangements. Employers of women who have the resources to explore causes will affirm that the character of child care arrangements strongly affects how women function on the job.

The recognition of a link between productivity and day care service has led a small number of major industrial enterprises to embark on programs to provide such services. These enterprises include a major public utility, a major national bank, and a powerful trade union. Others are exploring the possibility. It is clear that the issue is on the current agenda of industrial management.

When examining the issue of day care services, industrial managers are asking direct economic questions. What will it cost? How will it affect cost of production and productivity? Is it justified in the context of employee benefits and compensation plans? Before attempting to deal with these direct questions it may be useful to look at some of the wider social and political choices having a less direct but unmistakable impact.

The first of these points: Women are an indispensable part of the economy. In 1967 more than 33 million were employed and the number has since been increasing rapidly. These women were responsible for 37 percent of goods and services produced in that year. About 1/3 of them or 10 million are working mothers with children under 18 years of age, and 4 million have children less than 6 years of age. These working mothers are obviously needed in the jobs they fill. The economy would simply fall apart without them.

Point two: Women themselves are increasingly demanding day care, not as a luxury, but as a right. A few can afford nursemaids, a few can afford private nursery schools, but the great majority of mothers have serious difficulty finding adequate, economical day care when they want and need to work. Day care is one issue that has united women of diverse views and circumstances. If any of you have been listening to the voice of the "Women's Lib" movement, it is loud on one point--the demand for day care for children.

Point three: Congress is on the threshold of action. Proposals for federal funding of Day Care now has fair support in the Congress. A bill introduced by Senator Mondale has sponsorship of more than 100 members in the House and 30 in the Senate. The money in the bill provides 2 billion dollars in the first year of the program. The immediate outcome of this legislative proposal is not altogether predictable. The Administration itself has not indicated its position. What is predictable, however, is that this issue will remain on the agenda of this and the next congress, and certainly high on the agenda of employed women.

Now, management may well be asking why does the issue require its attention. The answer, obviously, is that industry cannot ignore an issue of such great importance to women employees--an issue that has been accepted by citizens in relation to larger community issues. There is a growing recognition among top industrial leaders that the problems of society cannot be separated from the problems of production and sales. The Chairman of the Board of the Durant Bank, Stephen Gardner, expressed it this way in a statement earlier this year. "These are special times," he said. He believes that good responsible citizenship calls for social involvement and a monetary contribution for positive steps that can improve the quality of life for those with whom we come in contact, whether directly or indirectly.

Let me now direct your attention to another dimension of this matter of day care. A lot has been learned from the fields of psychology, psychiatry, medicine, nutrition, and anthropology about the crucial importance of the first five years of life. In these five years a child learns fully half of what is going to be learned in the whole of a life span. These are the years in which a child acquires the basic attitude towards himself, the people around him, and the world in which he lives. Adverse conditions of employment, and the kinds of problems Dr. Cunningham was alluding to so effectively reveal that the affect of these early years are all around us. They are present in schools, illiteracy, drug abuse, crime of all sorts, and other forms of social maladjustment--maladjustments that are possibly too painful for us to face altogether. There is still a vast amount that we don't know about the connections between early learning and later performance in life, but this won't serve as an adequate explanation or an adequate justification of what we already know.

If this brief statement brings the concerns of industrial management into focus, it involves a number of steps in one, or all of the following ways: One, support Title 4A of the Social Security Act. This Act provides open-ended Federal-local funding of social services with special focus on day care. This funding is now in jeopardy. The Act now provides funds to enable states to expand and develop day care services. I mentioned 4 million mothers with children under the age of 6. There are, a conservative estimate, 5 million children who need day care services, of whom, perhaps, 400,000 are receiving care in licensed day care centers. In any case many of the states have looked forward to utilizing funds under Title 4A. These funds are in jeopardy. Point Two: Consider giving support to the extension of Federal funding for new legislative programs providing day care. One bill, for example, would provide 2 billion dollars in the first year and 4 in the second year of the program. At present, there are 5 million children, 5 years of age and under in need of this care. Point Three: The broadest kind of leadership of industrial management, that it has exercised the genius, the imagination, and the resources of industry to initiate programs of day care under their own or community auspices. The cost of adequate Day Care under 5 is comparatively high; $2,000 per year for a child can provide the kind of space, equipment, materials, staff needed for good quality service. This cost can be offset by parental fees, ranging from $250 to $1,250 per year, depending on the economic status of the workers involved.

The open-ended funding to which I refer in Title 4A has this potentiality. Employers could elect to contribute 25 percent of the cost of a day care facility which would then earn 75 percent in Federal dollars.

Corporations, large and small, have already gotten into the provision of day care. Two divisions of the Bell System have set it up and now provide Day Care, and the System as a whole is giving consideration to management problems that would be involved in the adoption of it on a system wide basis.

I don't know if I am letting a "cat out-of-the-bag" at this time, but I have something which I venture the system is concerned about. It seems that the C & S Bank in Georgia, has established centers in Atlanta and Savannah, and plans centers in all the counties where the bank is located. And there is developing modern programs operated by industries in a L.L.H. factory in Cambridge, Massachusetts. Amalgamated Clothing Workers in the Baltimore region, with employers' support, have built a Day Care Center in Baltimore and projected a number of others. It would be of interest to have a statement of one of the employer's in the Baltimore undertaking. Mr. Kilbaken of Al Grier & Bros. said, on the occasion of the dedication of the center in 1968, "We are very concerned as we embark on this program that knowing very little about it, and then becoming involved in a social, medical, psychological, or educational venture that we might wind up with costs that could prove to be beyond what we could bear. If this undertaking is to be right, is to be feasible, and is not to be unacceptable, all must share in the costs. It must be feasible for the employer, and it must be feasible for the Union." Thank you!

Financial-Planning Counseling

by

Hugh L. Gordon

Manager, Personnel and Services Division

Lockheed-Georgia Company

According to the program I am the 16th speaker today. I'll try to remember that and get right to a few points that can be of value to you in your companies.

I seriously doubt that there is any firm represented here today that has not had a garnishment problem with its employees. If there is such a company, you may have the wrong speaker. We still have employee wage attachments at Lockheed, but the New Financial Counseling Program we established in 1968 is paying off. It has reduced costs, improved employee relations, prevented union grievances, and EEOC discrimination charges, and overall has helped increase professionalism in our personnel program. These are all typical objectives in most any company, and I believe that some of our concepts and techniques are applicable in firms of all sizes.

First of all, let me describe the basic problems of garnishments. Some people feel it is unjust for employers to be summoned to court to answer for debts of their employees. Once a judgment is obtained in court on the employee, who is a debtor, the employer can be summoned to pay into the same court a statutory amount of the employee's wages. If you default in your payment into court, you are liable for the full amount of the judgment. And as harsh as it may be, you pay the full debt even if the garnishment was issued on the wrong person, and even if the person is not in your employ at the time the garnishment was issued. The law is written to protect the creditor and this is just one of the prices we pay for being in business.

The importance of this illustration is that every employer must be prepared one way or another to handle garnishments, and it costs money. There are other costs involved besides a default judgment. These are the classics that we try to avoid in personnel. Absenteeism is one. It runs hand in hand with garnishments and only serves to deepen the problem through decreased wages. Loss of productivity and lower performance frequently result from troubled, financially stressed employees. Then there is employee discipline, firings, and possibly grievances and EEOC charges. And certainly replacement and retraining costs. These all detract from the basic purpose of your business and cost money.

So much for the general problem. Let me describe our situation at Lockheed as it was in 1968. We were being served with over 800 garnishments a year. That is at a rate of three garnishments per thousand employees per month. In addition, we were receiving over 1,000 credit letters a month which required handling. The garnishments created a heavy administrative burden on our legal department which took service and represented us, on the finance organization (payroll and paymaster) which is responsible for the statutory deductions and preparation of special checks, and finally on our personnel organization. It took the equivalent of three and one-half people to just keep up with the processing.

The change came when we decided to get at the root causes of the problem--the propensity of some of our employees on the one hand to overburden themselves financially, and on the other hand either their unwillingness or inability to seek help to pull themselves out of a personal mess.

Our decision was to hire a full time financial-planning counselor, publicize his availability in-plant, and put him in the middle of the action. Our counselor is black, he has a law degree and was previously employed by a large insurance firm in counseling work. He has taken over all of the legal department functions associated with garnishments, tax levies and Chapter XIII's. This is what I mean by saying we put him in the middle of the action.

Now let's quickly look at the results. Garnishments have been reduced to a rate of 1.5 per 1,000 employees per month. Approximately 50 percent of all garnishments served are subsequently released through the intervention of our counselors, and I'll explain the value of this in a minute. Credit letters have been substantially reduced to a manageable level. Lost time, discipline, and terminations associated with garnishments have been significantly reduced. And we are now conducting the whole garnishment, legal and counseling function, with one and one-half people compared with three and one-half in 1968. All up, we figure there are numerous intangible benefits for our employees and for the company, but we can also show a net savings of $12,000 a year. It is one of the best examples I know of concerning cost effectiveness in a personnel program based on actual cost computations.

I mentioned that our releases of garnishments averaged about 50 percent. This means less paymaster processing of special checks, less employee service handling, and less employee lost time. We figure each tax levy released saves us $13.20. Each garnishment released saves $30.80.

Just a few words about our procedure. The counselor studies the credit letters and garnishments to identify employees with a pattern of financial trouble. Appointments are made and the counselor tries to guide the employee in reaching agreement with the creditor in one of several ways. Therein lies much of the skill of the job--dealing with the human relations aspects.

1. A new weekly payment schedule.
2. Extension of time for liquidation of the debt.
3. Preparation of budgeting schedules.
4. Referral to the consumer credit counseling service in Atlanta.
5. Under certain circumstances refer to attorney for bankruptcy.

Our counselor tries to get the employee to help himself, but his job also requires contact with creditors and attorneys. Frequently these contacts involve re-establishing faith in the employee and his willingness to resolve his problem. We definitely do not function as a collection agency, but deal with employee problems where there is possible resolution.

We have taken what is typically a legal and a procedural process and have attempted to humanize it. In so doing we can point to many cases in which people's lives have been affected--for the better. Our counselor deals with both blacks and whites, males and females. He is a professional and has to inspire the confidence of people who work with him to operate effectively. He does this.

Needless to say I am proud of this program and delighted to talk about it. We have established our own approach and philosophy regarding financial counseling. I don't know of anything in industry exactly like it. And it has proved cost effective--something most important in this day and time. I just hope that I have provided a few ideas that will be beneficial to you in your own situation.

Discussion

AUDIENCE: I have two questions for Dr. Cunningham, and they are both in a medical sense. When will we be in a position to correctly diagnose back troubles for workers? And second, in assembly line operations where it is important to have only authorized persons to operate in the assembly line, how many relief people should we have?

DR. CUNNINGHAM: Finding the answer to back problems is going to be with us a long time. The pre-employment screening in industry for back troubles for workers has been generally unsuccessful. Once you have an employee who starts having back trouble, you can pretty well predict what you will have in the future. You are usually going to have more trouble. There are those who get well following surgery but surgery is by no means the answer for all back trouble. So I don't know any good answers to back trouble except preventive education, continued efforts at pre-employment screening, proper job placement and prompt treatment and rehabilitation of back injuries.

AUDIENCE: May I interrupt here just a minute? Health situations exist where there are on-the-job injuries. No person with a history of back injuries should be used, and our physician told us it is very difficult to say whether there is an injury or not. Then we end up in court!

DR. CUNNINGHAM: The back is so difficult to diagnose and evaluate! If a patient says it hurts, nobody else can prove that it does not. Anybody who wants to have back trouble can have it, and it may become a real difficult problem to handle. Of course, it doesn't make much difference whether he had pre-existing back trouble or not, job aggravation of a pre-existing condition is still compensable. If the person becomes totally disabled from a minor job injury, even though he had severe back trouble in the past that was unrelated, we are probably going to pick up the whole tab for that. I don't have any experience with that type of problem.

AUDIENCE: We have had a couple of sessions already on occupational health, safety, and a couple of emerging things. We have in some areas of our plant operating conditions that create a high level of noise. Obviously, the engineers should try to thin out this noise at some point in time but it is going to take the engineers a long time, and maybe we will never work out of this problem. If we started giving audio-metric tests for pre-employment, a preventive type of thing if you will, for those people whom we know are going to be stationed at a place where the noise level is above standard, what do we get in terms of regulations? The question that was posed to us by a couple of officers at the office yesterday is should we have periodic re-examinations of these people and is the law going to require it; and does anyone know where the regulation is? I thought Dr. Cunningham might have some answers.

DR. CUNNINGHAM: We have a representative of the U. S. Department of Labor in the back who could deal with that question a little better than I can. My understanding is that the H.E.W., Health, Education, and Welfare Department, may require companies to have examinations for certain individuals who are exposed to toxic materials and to noise but that hasn't been done, I think, so far. There is no responsible party that I know of who says you have to bring them all in for examination.

AUDIENCE: We are doing it only for our protection.

DR. CUNNINGHAM: I think you are wise to do it. I am not sure there is any law yet that requires it.

AUDIENCE: I don't know. Should we do it every year, or every two years, or whatever. We have executive physicals for some people more than for some others, but not hourly people.

DR. CUNNINGHAM: Very probably, of course, this individual may have some problems besides job noise. He may also get some very loud noises, i.e., from shooting a shotgun near his ears. And there are a lot of people with hearing losses. How do you decide where they all came from? How do we determine which noises caused a hearing loss?

AUDIENCE: Mr. Gordon, have you or do you now, terminate employees who have been garnisheed?

GORDON: Yes. We have a three-garnishment rule. Three within a 12 month period will subject an employee to dismissal. A more popular rule is one or two. Of course, we have a new federal law that affects this now. And we make sure that if we do terminate a person, there is more than one debt involved which is the federal requirement.

AUDIENCES: Dr. Cunningham, how do the laws affect qualifications of employees, and how do you determine whether an employee can perform a job or not? How much weight do you place on a medical exam in determining the qualifications related to sex differences?

DR. CUNNINGHAM: The "discrimination" can't be done in the broad sense but can be on an individual basis. An example might be a job requiring the employee to lift heavy objects. There are women who could do this job and there are both men and women who, for physical reasons, could not.

AUDIENCE: Dr. Cunningham, what guides could you give us for establishing annual physicals? Would it be years of service, age, salary level, etc.?

DR. CUNNINGHAM: Let me preface my answer by saying there are many physicians who put very little faith in annual physicals. They say such a program is over done and over-rated, and do not recommend them. So this is one extreme. But there are others performing annual exams who are administering a tremendous battery of tests and adding new ones so frequently they don't know what to do with all the results. So here are two extremes.

On the one hand, you have the older person who has more diseases to be detected. On the other, you have the young in whom it does good to detect medical troubles while he is young. Some companies give their older employees many physicals while ignoring the young. This doesn't make good sense from a preventive medicine approach to health care. Our company's exam program is based on age and length of service.

AUDIENCE: We have an occupational medical program and staff. The company controls it on the cost basis and has cut back on physicals. However, if you look at it from the standpoint of a human problem, and you detect a medical problem and can save one individual, not a job, then it's worth it.

DR. CUNNINGHAM: That's a good point! A great many of our people have various abnormalities show up on their annual exams. But relatively few seem willing to follow advice for good preventive measures, such as weight loss, exercise, discontinuing tobacco, etc.

RUNDLETT: I want to get back to the age question. We were reviewing our policy two years ago and one manager said that it was a waste of money to examine those under 40 years of age. He said to examine them initially and if something existed, then do it every year. But otherwise, every 3 years is plenty until age 45.

We have told our people that they don't have to take a physical. This is a benefit we are giving you. But if you do want it, you tell us of anything found in the physical that would prevent you performing your task. Then we can make adjustments or give time off for recuperation.

Credit Union and Loan Programs
(a) Specific Company Programs

by
Norman Smith
Vice President and Manager
Rich's Employees' Credit Union

What is a credit union? A credit union is an organization of people who have bound themselves together because they have some common bond. This can be church, indust[illegible] it can be a business. Why have they bound themselves together? Primarily so they can promote thrift and savings of their members and also to provide a low cost place to go to borrow money. The interest rates in the credit union generally are cheaper than most other lending institutions. Of course, there are some exceptions. However, the people that make up our credit union usually find that they can borrow the money cheaper in the credit union. Now the movement began quite a few years ago. Our credit union is thirty-three years old. We were not by any means the first in the movement. The primary reason, back in those days for having a credit union, was to provide a place to borrow money. Because in those days, the lenders were in business to make money, lots of money -- at usurious interest rates, and as a result people were being robbed. Perhaps the average person was uneducated; perhaps he didn't know what he was doing. He didn't understand financial problems. But by every means he was being robbed blind. As a result the credit union movement was formed so that people could help each other to develop an organization that would help themselves. Up on the board I have some figures just to show you how large the credit union movement is. The first group of figures represents the number of members in credit unions in the United States, 22,800,000. The second figure represents the assets in the United States, $170,500,000,000. And there are 23,875 different credit unions. These figures come from the credit union magazine as of 1970. And the second group of figures represent those in Georgia. There are 367,578 members of credit unions in Georgia with assets of $272,769,000 and there are 424 different credit unions in Georgia. Now these represent a lot of people and as you can see there is a lot of money there.

Today, I want to talk about one of those credit unions. It may or may not be a typical credit union. I don't know that you can find a typical credit union because every credit union, almost, is different. Their principles are the same but the way they operate is different. I'd like to talk to you about the Rich's Employees' Credit Union, and as of the end of 1970 we had 4,627 members with assets of $4,177,000. Since that time in assets we have grown approximately 10 percent. So, if the other figures have grown 10 percent you can see the kind of movement we are talking about.

The credit union is made up of employees. The members themselves govern the credit union. They made up and have appointed elected directors. The directors have appointed officers of the credit union themselves. We have a credit committee made up of five employees of Rich's and members of the credit union. We have a supervisory committee which helps govern the credit union. And we have an investment committee that helps direct investment of money over and above what we have to lend out. Then we have a paid manager and a clerical staff. All of Rich's employees can join the credit union. The only stipulation is that they have to be there three months before they can actually request loans. They have an opportunity to buy a share in Rich's Credit Union for $5 with a 25 cents entrance fee. With that small investment they become a part of a large organization. They become a part of their own company. We have offices in our downtown store and we also have contact people in eleven other branches or stores throughout the Atlanta area. We are as close as the telephone and we have inter-store mail that we serve our people by. So our credit union actually is a very close-knit organization and is available to all our people.

The company backs the credit union and has from the very year it began 33 years ago. It began with five men putting up $200 apiece and this has grown to the assets that we have now. And it has grown primarily with the help of the company. The company provides the office space, provides the utilities, and allows the members of the board and the committeemen to meet whenever it is necessary to transact business of the credit union. For instance, the credit committee acts on loan requests three times a week--on Mondays, Wednesdays and Fridays. The company also allows payroll deductions, which encourages saving when people do it on a systematic basis and also it makes the pay back of loans very easy. Our savings plan currently pays 6 percent on money deposited up to $5,000 and 5-1/4 percent on money over $5,000. And as you can see these rates are very good in comparison to many of our lending institutions where to get that interest on your money you would have to tie your money up probably two years or more. We have the possibility of converting later and paying our dividends on a quarterly basis. We now pay them on a semi-annual basis. We encourage our employees to save, because we know that by saving ahead for emergencies, saving ahead for vacations, big expenditures and so forth, that if they have the money, they don't have to go out and borrow the money and thus pay interest on it. So we encourage them to save and we, at Rich's, have always had more money in our savings than we could ever lend out because of the fact that we encourage the people to save. We have deposit life insurance on savings up to $2,000. Many credit unions have this. If a person dies, a maximum of $2,000 of his savings is matched with life insurance.

Loans, of course, are very important with us. Unfortunately or fortunately as the case may be, everyone cannot always plan ahead and always know their monetary needs in advance.

In this credit-oriented society we live in, more and more people are borrowing and as a result we want to provide our people with low cost loans. They can come to us, in a confidential, quiet manner, and sit down and we'll discuss their problems with them and then if at all possible, pass on the loan and give them the money that they need. Our loans do not have any service charges. We do not have any refinance charges on our loans. We have no pre-pay penalty on our loans and we have life insurance up to $10,000 that is completely free. The employee does not pay anything for this insurance. We can lend at very low interest rates and one can borrow for almost any kind of reason, for any kind of worthwhile purpose -- emergencies such as medical, funeral expenses, travel expenses, repairs on automobiles, cars, houses, purchases of furniture, appliances, used cars, boats, and so forth. They can borrow to pay taxes and they can borrow to pay insurance, lawyer fees, vacations, and educational expenses. We also have GHEAC loans available for our employees and this is a good benefit for our employees to have this money available. It's not always available in the community, but we do have it for all our employees and their dependents. We also lend for debt consolidation, when it is wise. We have a counseling service for employees, particularly those that want to consolidate their debts. If we believe it's the best thing for them to do, we will go to bat for them to do, we will go to bat for them in the credit committee and work with them and try to help them plan ahead and overcome their financial needs and their financial problems. These loans primarily are at an interest rate of 1 percent on the unpaid balance or 12 percent per annum. This is the maximum any credit union can charge. We go a step further than many credit unions in that we have additional interest rates that are cheaper than this. On new cars, trucks, boats, and motorcycles and so forth we have an interest rate that is .83 percent on the unpaid balance, which is approximately 10 percent per annum. As you know, most of your banks and lending institutions are lending it at 6-1/2 percent add on, which is equivalent to 11.95 percent on an annual rate. So we are very competitive with these. We also have a rate of .59 percent, which is equivalent to 7 percent on the annual rate.

In order to encourage our people to buy stocks, we will lend on any stock that is on the board and we can get a market quote on it. We also take some first mortgage real estate loans on short term basis. We do not go into the home market on long term. But for short term, we lend at 7 percent, which also is very competitive with the present market.

Our final rate which is almost unheard of today is 6-1/4 percent or .52 percent on the unpaid balance, simple interest. We have this rate in order for our employees to buy Rich's stock and also that they can borrow against their savings at this percent. We encourage many people to borrow against their savings because we found that by borrowing against their savings, they are more or less forced to put this money back. If they completely withdrew their savings, they will most of the time not pay themselves back. Many take advantage of this particular type loan with us.

In order for us to pay the best kind of dividends possible, we, of course, have to invest our money, excess money, and we have an investment committee that invests in government securities, certificates of deposits, or any of the things that we are allowed to invest in by the state banking department. We also have quite a few blue chip stocks still on our books, because they were purchased prior to a change in the rules several years ago. Whereas Rich's does not own any part of us, we own 12,000 shares of them and some other very good stocks. So you can see we definitely are a part of Rich's and they help us tremendously.

Many times people wonder how secure credit unions are. Many of them are small. But generally speaking, credit unions are secure, in that we actually are a state bank. We are chartered by the state banking department. Many other credit unions are chartered by a federal department and we all have examiners and rules to operate by that have been set up by the banking department. We have an inside supervisory committee that also checks on the performance of the credit union employees.

In conclusion, I believe that credit unions are an answer to helping employees because they can provide something that, in many ways, your employees cannot get by themselves. By grouping together and having knowledgeable people help themselves they can create an organization that will help them save and can help them borrow money at a very cheap rate. If you don't have a credit union in your company, then we suggest you get in touch with the Georgia credit union league and they will help you establish a credit union very quickly. They have field representatives that spend their whole time working with companies and individuals who are interested in setting up credit unions to further the credit union movement. I say movement because actually it is and in many cases it is a kind of a religion, because many people believe in it so firmly that they find that this is a place to help their fellow employees and help their community and help everyone to have a better place to borrow money and save money and thus to live better.

(b) Credit Union Service for Companies

by

Dan D. Maslia

Manager

Associated Credit Union of Atlanta

Dr. Fulmer's initial remarks concerning the troubled worker relate a lot to credit unions and why they were organized. I have found in my experience, as we do a lot of counseling in our credit union, that the troubled worker is troubled for several reasons. Two of the reasons I've seen that are more prevalent are matrimonial and finance. Of course, we do a lot of counseling and I have had opportunities to talk to people about their marital problems. We don't solve these problems, but they talk to you. Another very prominant problem that causes a troubled worker is finances. It is because of these financial problems these workers have had that have made credit unions what they are today. Norman Smith has told you about his credit union. Of course, Rich's has several thousand employees. In order for a company to support its own credit union, it should employ at least two or three hundred people. Otherwise, it is just not practical for a company to support its own credit union with fewer than this number of employees. For many years companies employing less than this number were not able to provide their employees with these benefits. The number of credit unions in the country is increasing. You see how many we have in Georgia, and see the popularity that these have attained. Many employers in the smaller companies have been bombarded with requests from their employees, as well as from labor unions who represent them, for a savings payroll plan as well as, in some cases, a type of in-plant loan facility.

Many companies today have payroll savings plans with their local banks. Some are even making loans to employees with their own funds. This of course doesn't work because you tie up your funds and many companies don't like to do this. But needless to say the necessity of a company having to tie up their funds to employees is really not the ideal situation. Not only does it not want to tie the money up but it doesn't want to engage in lending money to some employees while on the other hand having to turn down other employees who may not be worthy of a loan. When you start to discriminate with some employees by making them loans and refusing loans to the others, then companies will get themselves in a little hot water. The absence of the credit union which can provide full service savings and loan facilities to employees has been sorely felt by the smaller companies. They just don't have it and their employees are asking for it.

In order to fill this gap, a new concept of credit union operations was begun in Atlanta in 1956 by a group of progressive-minded employers. The result was the Associated Credit Union, which I am with. Instead of serving just one company, as do most other credit unions, the Associated Credit Union serves a multitude of companies and provides them with exactly the same services as any other credit union would to that particular company. Of course this idea caught on and today there are over 90 companies in the greater Atlanta area who are affiliated with Associated Credit Union. We currently boast assets of about $1,600,000, and 3,300 members. To run down a few local companies: W. R. Bean Printing Co., Cutler-Hammar, Inc., Dillard Paper Co., Dittler Bros. Printing Co., Olympic Manufacturing Co., Jackson Atlantic Co., Scientific Atlanta, Inc., Selig Chemical Industries, Stein Printing Co. I believe one of our member companies, if I'm not mistaken, has a representative here today.

I have been invited to speak to you today, to introduce to you this concept, and to inform you, those of you who may be interested, of its availability and the manner which Associated Credit Union functions. Of course it is available to any company in the greater Atlanta area employing at least 25 or more employees. We have five companies in our credit union that have more than 300 employees. The only requirement for a company to join our credit union is that it does, as most all the other companies with credit unions do, provide the payroll deduction plan for savings, as well as for loans the member makes. There is no charge of course for a company to join. Once a credit union decides to join, each employee is notified that these facilities are available, either by a brochure that we send out or either at a company meeting, which of course is more effective because you have an opportunity not only to tell them they are joining the credit union but to explain the value of the credit union: what it can do for them; what it means to the company as well as the employee to have a credit union where they can have a company type sponsored program to save money with the payroll deduction.

When an employee wants a loan, it is simply a matter of his calling our office and applying for the loan over the telephone. After we take his application we check him out. If it is a large enough loan, we sometimes run a credit report. What we do in lieu of a credit committee acting on every loan, since our credit committee is not as familiar with all our members as a particular credit committee would be with employees of that particular company, is that we as a rule call back the company and talk to a designated individual -- the personnel manager, owner of the company or the foreman and get his opinion of the individual and whether or not the loan is justified. If the man is going to be laid off or terminated, etc., we want to know it. If the foreman verbally okays it, then we normally approve the loan. We call him back and tell him the loan is approved and then he can do one of two things. He can either come to the office and make the loan, or in some instances we can mail the note and loan and all papers to the selected individual in the company, who will call the employee in and give him his check after he has signed the note and deduction slip. This is a service which we started a few years ago and have found that many of our companies which are in the outlying areas of downtown have eliminated the necessity of them having to come down to our office to make the loan. By having the documents sent out to them makes it much more convenient for them.

The requirements for a loan are similar to any type of lending insti- tuition. We require that they be employed a period of six months and be over

21 years old unless they are married. We do take into consideration their general credit, stability of employment, how long they've been there and what the chances are for remaining there. One thing about a credit union which is different from a bank or even a loan company is that if you have an employee who has been working for many years at the company, a good stable employee who just can't seem to pay his bills and is always in constant trouble with various lending institutions, we have found in our experience that the longer he has been there, the less likely he is to leave. The fact that they have been employed for many years indicates to us in most cases that they will remain there. Then we can, in most instances, overlook poor credit. But with a long-term employee many credit unions can make these loans and feel safe because of payroll deduction. Of course I wouldn't suggest taking him off payroll deduction because you might have a difficult time collecting the loan. But in these circumstances credit unions have filled a gap that has allowed these employees to borrow money at legitimate bank rates of interest without having to resort to extremely high usurious rates of interest. The interest rate is one percent a month on the unpaid balance; on new automobiles it runs a little less, about 10-1/2 percent per annum. We are as competitive as other lending institutions and credit unions for these types of loans. The loans our credit union make are similar to those made by other credit unions: consolidations, automobiles, and down payments on homes.

Basically, what Norman Smith has mentioned are the type of loans we engage in. Now our savings work the same way. A person can sign up for weekly payroll deduction, monthly, semi-monthly, or whatever the case may be. They have the money deducted and at the end of the month it is remitted to our office where we keep all the records for the savings. Another convenience we make for our members, if they want to make a savings withdrawal, is a simple matter of picking up the telephone, phoning in for a savings withdrawal and the savings withdrawal is mailed to them in care of their company which again eliminates the necessity of having them come downtown. Our rate, of course, is 6 percent which we've been paying for the past two years. Norman had mentioned, too, the security of credit unions. For many years credit unions have shown a record of good safe investment programs as well as a very, very small share of losses. Each credit union by law, whether it be state chartered as we are, or a federal chartered credit union, is required to have a fidelity bond which covers losses for acts of any types of dishonesty, burglary or things of that nature. The credit union movement never really felt it necessary to pursue the course of trying to get FDIC type of insurance that the banks and savings and loan associations have. However, the pressure began mounting about two years ago in Congress for these regulated institutions -- credit unions -- to have this sort of protection. In October last year, the Congress passed a law which provides now for share insurance which is administered by the National Credit Union Administration which supervises federally chartered credit unions. The share insurance is similar to FDIC and FSLIC insurance and it provides insurance up to $20,000 for each account in a member credit union. The share insurance was made mandatory for all federally chartered credit unions and optional for state chartered credit unions.

When a company joins our credit union and is ready to begin savings deductions, it notifies the payroll department. The deductions are made weekly or monthly and are sent to our credit union where we keep a record of each individual deposit. At the end of the dividend period, the months ending June and December, we send out statements to each individual member explaining their savings and loan balance and the dividend they received during that period. As of July last year, our credit union went on a data processing system and is now in a position to speed up our transactions and to give our credit union the opportunity to render our members better service.

As I look over this list of members here, I see that there are quite a few people here that represent companies that do have credit unions and some companies that don't have credit unions. When you have been in the credit union movement as long as I have, you sort of want to help others if they possibly can form their own credit union. Being an active member of the Georgia Credit Union League, which is a trade association of all the member credit unions in Georgia, we try to help others form credit unions. I would be most happy to make myself available to you now or later if you are interested in talking about either organizing your own credit union, if your company is big enough, or if you feel that your company might benefit from the services of our credit union if you are less than two or three hundred employees. I have also brought along a few brochures which we use to advertise our credit unions and would be most happy to give one out to anyone that is interested.

Discussion

AUDIENCE: How does Rich's manage the co-signer problem?

SMITH: The only time we require a co-signer is in a marginal, questionable case, then we would require a co-signer. Or, in a case where a person is under 21 years old, of course, we would have to require co-signers on all those notes.

MASLIA: We have a limit of $1,000 on signature, and we discourage comakers from the company. If the person needs a co-maker, we urge them to get a family member. The reason for this is, we have found in many instances where two people work side by side every day and one's got good credit and one's got bad, the man with bad credit wants a loan. And we require a comaker, as he has no other collateral it's so easy to ask your fellow worker and ninety-nine times out of a hundred, the fellow worker will co-sign. Rather than us put him on the spot and have him possibly suffer the loss, we discourage it as much as we can; so that we don't create any ill will with another employee because he's going to be real unhappy at us even though he willingly co-signed because he couldn't wiggle out of it. We try to help him get out of the situation so that he won't get stuck. And, this, incidentally, has also happened with some of the company owners. They may have had an employee that they want to get a loan, and they will guarantee the loan without the employee knowing about it. Again, we try to discourage the company owner from doing it, but many times they will do it; and in about half the cases, they have had to pay the loan off. Now, we don't want that; we don't want to make the loan that bad. We don't want to make them unhappy, so we try to discourage it. We will allow a family member, brother, relative, or something, to sign it, but we try to avoid having a fellow employee co-sign.

AUDIENCE: I know of at least two credit unions in Atlanta that require a co-maker on just about every type of loan. Do they have difficulty getting those co-makers?

MASLIA: No, because he knows that next time he may have to get a cosigner.

AUDIENCE: What are the legal implications for those co-signers? Is the co-signer completely responsible for the other man?

MASLIA: He's responsible for the Note. The total amount of that Note, of course, is indicated, and he is responsible up to that amount.

AUDIENCE: To what extent do you find workers of that sort irresponsible in not only those kinds of things but others?

MASLIA: I find that they are as irresponsible as the credit union will allow them in co-signing, and I frankly blame these situations on the individual credit union's policy.

AUDIENCE: Mr. Smith, what support does your credit union get from Rich's Management?

SMITH: Let me say, and I mean it wholeheartedly, Rich's has been completely behind the credit union. They do not charge us anything for payroll deductions. Rich's considers the credit union actually as a benefit to the employee, and classifies it as such, although we are a separate corporation. It has been so closely knit that no one that I know has ever put a price tag on it, although there is one.

AUDIENCE: Is there a Board of Directors or is it owned by the company?

SMITH: Bear in mind that we're 33 years old, so when the credit union started, Rich's was small also. The members, the leaders at Rich's were, in many cases, management at that time, also many are management even now, and so, the credit union has grown with Rich's. We are in a very enviable position, I have to admit, and we may or may not be very typical of a true credit union.

AUDIENCE: You say Rich's is very favorable to the credit union from the standpoint of the employee. Would you like to elaborate some of the arguments as advanced by management. I know you probably did this before, but for the sake of emphasizing it, what are some of the lines of arguments your management down there advanced as to why they want the workers to have this credit union.

SMITH: Well, they want the workers to have a credit union because the worker who doesn't have any financial problems is a more productive employee, and a credit union helps to make a happy employee. It is just like any other employee benefit, whether it's health insurance, or anything of this nature, you're giving it to the employee to benefit him although it's costing money. They know the credit union costs them some money, but they are willing to help in order to have happy employees. We do not have a labor union, so that's another reason.

AUDIENCE: Are the credit union managers paid by the credit union?

SMITH: Here again, it is kind of a peculiar situation. We are Rich's employees. We have all Rich's benefits, retirement and everything, but our salary, base salaries, are reimbursed to Rich's by the credit union.

AUDIENCE: How is the income earned by the credit union handled?

SMITH: The incomes goes into the credit union's income and it goes to pay dividends. Of course, the expenses come out first; we have a very low expense ratio, and anything above that goes to pay dividends. Anything over and above that will go into an undeclared dividend which helps our reserve.

AUDIENCE: What goes back to Rich's?

SMITH: None goes to Rich's. Rich's is not involved in any of the money at all.

AUDIENCE: Mr. Maslia, both State and Federal law requires, I believe, that a percentage of your gross income go first into reserves; with State and Federal, isn't it 10 percent of your gross income that goes into reserves before you can pay a dividend? Am I correct?

MASLIA: The State requires 5 percent of the gross income. It is mandatory for a credit union under Federal charter to be insured which requires 10 percent deposits of gross income. We are Federally chartered, and so we deposit 10 percent. I might add, too, that the only people who earn salaries from credit unions are actual people that work there. Committee members, credit committee supervisory committee, are prohibited by law from receiving any compensation for services rendered. It's purely a voluntary thing; and even the largest credit unions are non-paying. That is the way the law is, it is a voluntary thing.

AUDIENCE: What is the source of most of your loan applications?

MASLIA: With ours, I would say that over 90 percent of our loan applications are taken over the phone, because our companies are all spread out.

MODERATOR: Any other questions? If not, then let me state one. I gather from the discussion that it is not possible for a worker to borrow a down payment on the purchase of a house. How about it, Mr. Smith?

SMITH: It's not possible for him to borrow a full down payment. We do, though, lend partial down payment. If a person has, say, several thousand dollars and maybe lacks $1,000 or something of this nature, in many cases, we go in with them on that and maybe pay the closing costs and so forth.

MODERATOR: I note that we're slightly ahead of schedule, which is unusual. At this point we're going to have a break, but we're coming back to look at this kind of a problem. You have had workers who have had marital problems, and I think you said that was a challenge, along with financial problems as to what causes the worker to be troubled. In most cases, about all a company can do, if you have a good personnel department, is talk to this worker; but the main thing is to guide him to somebody who can help him or her, and we're going to examine some ideas along these lines.

ASSISTANCE PROVIDED BY COMMUNITY AGENCIES

Child Care and Family Counseling Center

by
Mrs. Mary Margaret Carr
Executive Director

I would like to first commend Dr. Fulmer for including on this program some mention of services that are available in the community because I think for the most part, these services are supported through your companies. And they are more fully utilized by employees, although not to the extent sometimes that they are needed because perhaps the services are not well-known except for the support factor of management.

In 1960, a special issue of Family Service Highlights was issued on the value of such services to industry. At that time, Mr. Fred Storey, who may be well known to many of you as a local businessman and, certainly I think, an ardent Georgia Tech supporter, was then president of the Family Service Association of America; this was his brain child. The foreword, which I would like to quote, was written by Mr. Thomas Watson the president, at that time, of IBM. He said, "Family breakdown is the major human problem in America today. I speak not only of families that are actually broken, or are on the verge of separation, divorce or destruction, for more subtle is the effect of deteriorating family relationships, or the actual absence of healthy family life in a substantial number of our population." To quote again from this foreword, "Business and Industry, too, have a big stake in the community's efforts to maintain a strong family. Most obvious is the fact that every employee is both a product of a family which shaped him, and a member of one today which affects his everyday work for good or ill." He further says that "Yesterday's childhood family problems are today's major issues in the community: delinquency, crime, drug addiction, alcoholism, violence perpetuated on individual family members and innocent bystanders in the community." At that time, the community leaders who spoke out on this issue were: H. J. Heinz, Pierre DuPont, Mr. Pillsbury, J. Lloyd Humer, B. F. Goodrich, and others, all men who have served as presidents of community agencies, spoke for this same issue and expressed their concern that business and industry were not fully cognizant of the kinds of problems that their employees were having and were not fully taking responsibility for referral to appropriate resources. I would like to say that, since that time, referrals have increased; but today approximately 3 percent of the referrals we receive are originated at the management level.

Practically all of the people we serve for family counseling services are employees of local concerns in the Metro-Atlanta area. Now, we have long known that the school is the first institution that is aware of problems in family life. They know it because of the behavior of the child. The place of work of the parent is the second major institution that is aware of trouble in the family. You know better than I do what some of the signs are, but I'd like to mention, quickly, a few of the most obvious ones. They are frequent absences from work, irresponsibility at work, inability to concentrate or to perform work as well as it has previously been done, calls from creditors, ill-health, mood swings, flare-ups with other employees, or with the supervisor, which previously have not existed. You can add to this! There has been a great deal written in the various trade journals as well as the professional magazines about the accident rate on jobs and how much of this is directly attributable to family problems.

Now, what do some employers do when they observe the warning signals? I would like to mention a few illustrations which I hope are concealed enough not to identify individuals, but which came out of local concerns. The front line supervisor required a mechanic to seek help by counseling. The employee, recently widowed, an extremely dependent man, had been drinking heavily and when he was seen by our counselor, it was found that he was suicidal. We took responsibility for saying to the man that we could not withhold this information from his foreman. And he did agree to seek treatment.

A large oil company requested help for a clerical employee who was earning $400 per month. She was located in one of the office parks; she did not have personal transportation; she was having to pay too high a rate for housing; she had one child who was terribly palsied; and had another child who was under two years of age for whom she had not been able to work out day-care plans. It so happened in her neighborhood there were no community-supported day-care programs, and she could not pay the proprietary rates. Through counseling, this woman was able to do several things: (a) she was able to get adequate housing at a price she could afford; (b) she was able to receive some supplementary assistance through a provision of the Public Welfare Department which enabled her to secure the kind of day care that she needed for her children; and (c) at one point when she was ill, some foster care, for these children.

An employee of a steel company who had been there 25 years, started out as an hourly man, common laborer, employed when they needed him. He had risen over the years to foreman of a crew of 25 men. He was drinking; he was quarreling with his wife; and he had been arrested on a charge of disturbing the peace. The president of the company called me and said, "I don't want to lose this man, what can we do to help him?"

Now, last year, over 7,000 families used the services of Child Service and Family Counseling Centers. Time does not permit me to list all of these services or to explain them, but I will go over them very quickly. The Child Service part relates to: (a) services to unmarried parents who are concerned about the child that will be born to them and the kind of planning that must be done around this, i.e., adoption services; and (b) foster care services with the emphasis on those children who need a specialized kind of care due either to a physical or an emotional handicap, or behavior which in the community is considered pre-delinquent. Family counseling services consist of direct help to people individually, on a family basis, and on a group-counseling basis for marital problems, problems with parents and children, and the kinds of individual problems that an employee is having in adjusting to his work. In addition to this, we are increasingly providing family-life educational services, and this is where we are trying to do more prevention.

We have one program I would like to mention in particular. Many companies call, i.e., someone calls, and says that they are concerned about the generation conflict for instance. Every Tuesday night we have what is known as "Projects Aware" where parents come and have a dialogue with one another about their teen-age children.

We have attempted to develop our services so that employees can get to the services. We have offices located in Atlanta on West Peachtree, in the Model Cities area, in Decatur, and in Smyrna. We hope very soon to be able to offer some additional services in Gwinnett and Clayton counties with offices based there. By July 12 we will be open two nights a week until 8:30 in our West Peachtree office, and one night a week at all other locations. We hope that, as employees on an hourly wage basis need counseling during other hours, this could be made available to them. My experience is that, for the most part, it is those of us who are on salary that can be away without any deducts. But people on an hourly wage find that if services close in the community at 5 o'clock they do not have access to them, and I would certainly like to make our services available to these hourly workers.

It is important, I think, for employees to know that the company encourages them to seek help when they need it. So frequently we hear, "I wouldn't want persons in my company to know that I'm coming here." Most of the time that's a fantasy on the part of the person. I think most companies would be encouraged to know that the person is anxious about his family functioning and also about holding his job and they want him to seek help. Furthermore, I think it is important for you to know that if you refer someone to a service like ours, we will give you a report. If we don't give it to you, you can call for it. We will not violate the confidence of our client who is your employee. But we can certainly care along with you whether or not he came, if he plans to continue, and if he thinks he can be helped, and such other information we feel that he wants to share with you.

If we feel that for some reason that there is something that can be dangerous to the community involved in a person's situation, we will say to the client, "We cannot sit on this. We cannot take that kind of responsibility." Just like we work with an adolescent who planned to run away--we try to work with the adolescent to the point where all sit down and talk to the parents. For instance, if the adolescent is using drugs, we will get with the parents and explain the situation.

I should like to give you a couple of quick illustrations of what I am talking about. We had a pilot who was extremely anxious because he had gone on his own to have a medical examination. They have company medical check-up's every six months. This man was not due his 6 months examination but he had gone on his own for one. His medical condition was such that he certainly could have had a crisis episode while flying. He was also very depressed, not depressed to the point that he needed hospitalization, but depressed due to a marital problem. I fly and you do too, and we knew about this and we just refused to accept the responsibility. We said, "You have to share this with your supervisors and let them make the decision on this." And then there was a man who worked, and I think maybe the company is represented in this room, who worked on high lines. He was violent! There had been repeated episodes of beating his wife and his children. We felt that this man was psychotic. He apparently was functioning well on his job, but he did say that when he was working as a team on the high lines, he sometimes felt a real urge to let "a hot line" drop. We refused to accept responsibility for sitting on top of that one. We worked with this man, almost on a daily basis until he agreed to do two things: that he would go to his foreman and tell him, and that he would get a psychiatrist's evaluation and determine what could be done. As a result, this man went into a night-time hospitalization situation. The psychiatrist felt that he could function during the day if he had some protection at night.

I will give you a couple of quick illustrations of how companies sometimes approach the problem beyond just referral. At Lockheed, which in my opinion has been the most enlightened company in this area in relation to this, we have had an In-plant Service since 1962. We provide a staff member one morning a week. Any employee in the company is free to come, without any deduction of time charged-off, for an interview with the counselor. We work very closely with the personnel services and with the medical division. At a time when there were high layoffs anticipated and we were getting a large number of people coming into our counseling office in a panic making premature kinds of decisions, we offered to make available some discussion groups for employees. We had a limited response, but it showed that the company had concern for its workers. We have worked some others on a limited basis like this.

I should like to quote from an experience they had in Detroit where the Michigan Bell Telephone Company requested help for their supervisors who were working with large numbers of young people on their first job from deprived, inner-city communities. The supervisors were anxious to do a good job, but were provoking a lot of hostility. The Family Counseling Services were able to help them have a better understanding of this life-style and the problem of communication. In Los Angeles, there have been some experiments going on with a number of companies to see how many referrals can be made, and to see to what extent some kind of a regular relationship needs to be developed between companies and the counseling services.

In addition, this past year, we have worked with the City of Atlanta and a number of companies in this area with the play called "The Man Nobody Saw." This is a play on racial understanding which personnel in various city departments have seen and we lead a discussion afterwards. These are beginning kinds of efforts but, I think, important ones.

There is a package downstairs for conferees and others who may write for it which gives detailed information on our services. It has in it a limited number of tear-off referrals, which could be given to employees. We should be glad to have your employees bring those referral slips, and then we should be glad to hear from any of you if you think we can be of service.

Georgia Association for Pastoral Care
by
John Patton
Executive Director

All that "Pastoral" stuff in my introduction, reminds me of how confusing a word that is. It has to do with the name pastor which grows out of the Biblical figure of the shepherd. I recall one of the classic instances on the program "Candid Camera," when a vocational counselor is giving the results of the test which a young student with impassive faith has taken, and he looks at him, the counselor does and says, very seriously, "We have decided after very extensive vocational testing that you are best suited to be a shepherd." And, the look of horror and panic and confusion on that young man's face, you can well-imagine. This is to say that the term "Pastoral" is occasionally quite confusing. The term "Pastoral" indicates our relationship with the church and the shepherd metaphor in spite of some of its ambiguity in today's world.

The Georgia Association for Pastoral Care is an organization which seeks to bring together the church, the seminaries and medical in the community. There are three seminaries in Atlanta: the Interdenominational Theological Center, the Columbia Theological Seminary in Decatur, and the Candler School of Theology at Emory University. The Seminaries, the churches and the Emory Medical School work together through the Georgia Association for Pastoral Care to do two things: (a) to offer some pastoral service, some caring service, some mental health opportunities for growth to people who are in various conditions of need; and (b) to attempt to make the minister a better resource for helping the members of his community and his church.

This says that we're involved, probably fifty percent in training and fifty percent in offering direct service to persons. The kind of person I think of is Jim who speaks of himself as a "speed-freak." He works on the night shift, has been taking speed or various amphetamines for a good while, attempting to get through the feelings of inadequacy he has as a small man in a large company. He has a great deal of intelligence. His test results have indicated that he has high mathematical ability and perhaps, the ability to move far beyond where he is in his present job, but the sense of inadequacy, a marriage struggle with a dominant woman whom he manages to subjugate only periodically by getting her pregnant, is very evident in this man's ability to work effectively. He has a relationship with a church which has caused him to feel more comfortable and to consult his minister rather than the "head" doctor (I believe was the term I read in "Abby" this morning in the newspaper), because he feared losing his job if he asked for psychiatric help.

I think one of the important things which our organization can offer in this kind of case is less immediate threat to the worker. We are not clearly in the mental health profession and yet we have a great deal of contact with social workers, psychiatrists, psychologists and other agencies to which we can refer. Our major concern is trying to make a minister in serving his parish a more effective person, and also to provide specialized counseling service which we operate out of two seminary centers and three church centers in the community.

Probably 80 percent of our referrals come from ministers to whom guys like him have gone first. The other 20 percent come directly from an increasing number of employers, perhaps personnel people within an organization, physicians, social workers and the usual "satisfied customer" referrals. At any rate, I think that the Georgia Association for Pastoral Care can offer something significant to the business community, and has done so to some degree in the past.

For a long time, ministers have gone to visit people in their homes. Now, psychiatrists and emergency mental health teams are going to visit patients in their homes. People who are not quite ready to ask for help can often suggest something of their need for help to someone who reaches out to them and can take the necessary steps to offer a level of care which is less extensive than is the formal one-to-one or even group counseling interviews. This kind of chaplaincy model which we use at Grady Memorial Hospital, where somebody who might not be willing to sit down for an hour interview and try to work through extensive problems, but may gain a great deal of help from a conversation with somebody who seems to care and who can maybe just stand in the hall and talk with him. This is a kind of informal offering of care which the minister has pioneered in.

With respect to referrals for more extensive counseling, the Pastoral Counseling and Referral Service of the Georgia Association for Pastoral Care with the central office at the Central Presbyterian Church, you may suggest to your employee that he call us directly, 659-0985. We also have an office at the Candler School of Theology; at the Interdenominational Theological Center where most of our Black counselees are being served. This is not our segregation. This is the Black community's own segregation. That's probably a bad word, but I think one of the real issues for Black people as they talk with me about this, is how much a Black man can be helped by a white counselor. That's a significant issue today and a key reason for our having a center in that community. Our organization is doing a great deal in training Black ministers in Pastoral Care and Counseling. I think probably we are reaching more Black ministers through our program than any organization in the country. These are the main things I wanted to say.

Emory University Community Legal Service

by

William H. Traylor[1]

Director

Rather than just talk about Emory Community Legal Services, I prefer to talk about legal services in the State of Georgia of which Emory has always been a relatively small part. The first thing I would like to say about low-cost and free legal service in Georgia is that there isn't nearly enough of it, and it is terribly fragmented and disorganized. I am very happy to say that as of July 1971, our agency and the Atlanta Legal Aid Society will consolidate into a single group. That will be a step forward. Unfortunately, in most places in the State of Georgia, there are almost no legal services available, at least on the Civil side of the court docket. In law, there are two principal divisions: (a) the Criminal law -- actions by the State or the City, or the Federal Government, which can subject a person to imprisonment or a fine; and (b) Civil actions, such as actions on contracts, garnishments, evictions, warranties, fraud, and that type of thing.

The United States Supreme Court has said that every person who is charged with anything above minor crime is entitled to counsel. Unfortunately, most Georgia Counties, outside of Fulton and DeKalb counties, have not heard the news yet, and most poverty people in Georgia who are charged with crimes are not afforded counsel and if they are, it is strictly token representation.

In Fulton and DeKalb Counties, there are attempts made to provide legal counsel. There are some state judges who are doing a beautiful job, but, in many cases, the constitutional right to counsel is not recognized. In other places, it is. In Fulton County there is a Public Defender who takes care of felony cases. He handles more than 75 percent of the criminal cases that go through Fulton County. And, for this, he has a total of five lawyers. Considering that there are 1,000 lawyers to handle the rest of the cases you can see what a pitiful effort is being made along this line.

If you have an employee charged with a crime who is without funds, I recommend that you do refer him to the Public Defender. But if there is any way possible for your employee to retain his own lawyer, I recommend that he use the Lawyer's Reference Service. Although we have a Public Defender who is a fine lawyer himself, and is a fine, upstanding citizen, he does not have the resources to give the type of representation that a lawyer in private practice can give. So, if you have employees wishing legal assistance and there is any way they can obtain private counsel, they should do it. It is an extremely wise investment.

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[1] Director of Emory University Community Legal Service until August, 1971 when Dr. Traylor resigned to accept a professorship at Temple University.

Our agency is not particularly concerned with the criminal law. We do work with the Lawyer Reference Service. If a person comes into our office who is charged with a criminal offense, we inquire to find out if he has funds and if he does we use names given to us by the Lawyer Reference Service to find a competent lawyer who can represent him and for a fee that he can pay.

But our agency and the Atlanta Legal Aid Society, with whom we are going to consolidate, are primarily concerned with the civil actions. In Atlanta, we probably have the best, or one of the best, legal aid societies, in the Atlanta Legal Aid Society. It has a big problem -- it is grossly overworked. It has about one-quarter of the staff that it needs to do the job right. Consequently, you will find that its attorney cannot give instant response to telephone calls. They cannot give the type of service that a person should expect from a lawyer in private practice; but they're doing the best they can. I assure you that they can do a good job for your employee if the employee qualifies for service. Due to the fact that they are swamped with cases, they have been forced to impose restrictions on accepting a new client. The present rule is that they will only accept a single person if his take-home pay is less than $200 per month. If the person has dependents, $35 a month take-home pay is allowed for each additional dependent. Calculations show that many of your employees will not qualify on the scale for legal aid services. It is only where the person has five or six dependents or something like that, that they qualify.

Our legal aid agency, which tried to follow the same standards, tries to be humane about this. We accept clients and sometimes give them legal advice until they can raise the money to get their own lawyer. Some cases, of course, don't require a fee, for example, personal injury cases. We can always find a lawyer for those kinds of cases on a contingent basis. There is disparity between what low income people can pay legal services and what the general lawyer in private practice expects to receive from his client. We try to find lawyers, either younger lawyers just starting out or older lawyers with a good deal of social conscience, to take clients who do not qualify for our service. Sometimes when we cannot find a lawyer who will take the case we do stretch the rules to try to help out. We are particularly interested in helping the person who is poor by reason of his status in life. The ghetto resident, for instance, who has never seen a lawyer and sees the legal system as his enemy. He perceives the courts only as a place where he always loses. We would like to correct this image.

We are not particularly interested in serving executives who are temporarily out of work, who can go and borrow, or who will be able to get a job in a few weeks.

On the Civil side, if a person is sued and does not have a lawyer, in about ninety-nine percent of the cases, he automatically loses. It is not a question of his going before the judge and telling the story. He must prepare the necessary papers to file an answer to the complaint filed against him. This he is usually unable to do. Thus, he will automatically be defaulted. Where employees are temporarily out of work, our agency, and I believe also the Atlanta Legal Aid Society, will help to prepare an answer or assist in obtaining a continuance until the employee can afford an attorney.

Wage garnishments are a problem. Recently, the Atlanta Legal Aid Society obtained a court decision which prohibits wage garnishments prior to the time that a lawsuit has been filed and a judgment rendered. There has to be a trial before an employee can be garnisheed. Prior to the above decision some companies were garnisheeing without even bothering to have a trial. Most people thought it was all over with but this is not the case.

Garnishments will still pose a problem. Most garnishments that come into our office are on people who have had their wages garnisheed because they did not know what to do when they got a Summons to come to court. Some of these people were high school graduates, a few had some college, but they didn't understand what a Summons to court meant. We are trying to do a bit of propagandizing on it in order to get the word out. When a person is summoned to court, it does not mean go to court, it means go to a lawyer. If he goes to court without a lawyer, he is liable to get very poor information. He must prepare certain papers, and while some of the clerks in the court will try to help, they sometimes give misleading advice. If a person receives the Summons without going to court and has a judgment rendered against him, it doesn't make any difference whether he owed the money, was at fault in the accident, or obtained the furniture, he loses. After you get a garnishment notice, there is little you can do for the employee except to make sure the law is properly complied with.

Fortunately, there are times when we can help people who have had garnishment against them, even if the judgment has already been entered. In Fulton County and DeKalb County, the Summons are frequently served at the wrong address, or there are some other defects in the process. In those cases a lawyer can help. We recommend that when one of your employees is garnisheed, if you think that he qualifies for legal services, send him to legal service. We will either take his case, or we will refer him to a lawyer through the Lawyer Reference Service. On the other hand, if you know the employee does not qualify for Legal Aid eligibility, we recommend that you determine if he knows a lawyer. If he has a lawyer whom he knows and trusts, he should be sent to his own lawyer. If he does not have his own attorney, we strongly recommend that he be sent to the Lawyer's Reference Service where he will refer him to a competent lawyer. It will be up to him to determine if the wage garnishment can be put aside.

If you refer a person to Atlanta Legal Aid or to any other legal aid agency, you should use the phone book in order to refer him to the office nearest to his home. The reason for this is that most people go to Legal Aid in the Court House. This legal group is completely swamped by a long list of people and your employee may have to wait in line several hours. On the other hand, if your employee is referred to a neighborhood office (Atlanta Legal Aid has five neighborhood offices), this will be a more convenient and efficient service. Since the various offices do have varying hours, I suggest that before your referral is made, the nearest local office should be called to learn the hours when the attorney will be available.

If you have a client who does not live in the Fulton or DeKalb area, additional help will soon be available, as it will have an office in Cobb County before long. Georgia Indigent Legal Services will shortly have statewide offices. If an employee is from out of the metropolitan area, call the GILS (Georgia Indigent Legal Service) office downtown to determine if they have an office in his particular community. For consumer problems, the Georgia Consumer Counseling Service has a list of attorneys, compiled by the State Bar Association, who may be able to provide assistance to employees with consumer problems.

Lawyer Reference Service

by

Marion A. Sams, Chairman
Lawyer Reference Service
Atlanta Bar Association

The greatest task we face today, and in particular the next decade, is to inspire, help and direct the individuals of our society to a moral awareness of duty and responsibility of each member to his society. When we, as individual members of our society, fail to act and live up to our duties and responsibilities to our society, we must pay the price of our failures.

Some of these failures have resulted in action on the part of our own Federal Government to step in and attempt to do the job we should have done, through our own corporate efforts. The Federal Government has at times been unable to muster efficient manpower and financial support from the taxpayer to do the job.

There are many needs of the poor and aged, most of which you are familiar; however, there is and are growing needs of our majority (middle class - worker - wage earner - taxpayer) in our contemporary society of urbanization, social mobility, and complexity of business. One of these growing needs is legal help and assistance.

Your particular problem is to improve on the productivity of hourly workers. If you can locate, hire and maintain an hourly worker who is relatively free from personal legal worries, the corporation with whom you are serving will be able to obtain better productivity from this worker or employee - he will be in a position to devote more of his working time to his work and less time to his personal problems and will be a happier and more efficient asset to you, his supervisor.

In the early years of our nation when our social, economic, and tax problems were less intricate, few of our people had legal problems. A majority of our population lived in rural areas or in small communities, and had little difficulty in locating a lawyer in time of need. Lawyers practicing in these areas were generally well known. If a person with a legal problem didn't know a lawyer, he could readily locate one by asking his friends.

The development of a more complicated society, and the growth of large cities and densely populated urban areas have contributed to increasing the number of legal problems faced by the so-called average citizen, and to making it difficult for him to get competent professional help in solving them. Recent surveys in some of these areas have indicated that a substantial number of persons had experienced legal problems but they had not consulted lawyers. In some cases they did not realize they had a legal problem. But even when they did, they sought advice from a variety of confidants: friends, bartenders, barbers, hairdressers, and many others. Some of these were afraid to consult lawyers, either because they thought the fee for a consultation would be prohibitive or because they thought they might choose a lawyer who would be a specialist in some other field and not knowledgeable in the field of their particular problems.

This then is the atmosphere into which Lawyer Referral was born and has grown. The organized bar had for many years supported legal aid organizations. These took care of the indigent but furnished no assistance to people of moderate incomes who did not know how to find lawyers or were afraid to employ them.

The objectives of the Lawyer Reference Service are: (a) to make lawyers' services more readily available to persons of moderate means; and (b) to assist those who are able to employ lawyers, either by contingent fee or other arrangements, in finding competent lawyers who are qualified and willing to assist them. In accomplishing its objectives, the well run Lawyer Reference Service will thus assist not only persons of moderate means, but also the indigent, who may be able to employ a lawyer on a contingent fee basis, and the well-to-do, who may simply want referral to a qualified lawyer.

Each Lawyer Reference Service is operated under the supervision and control of the local bar association. Our Atlanta office is located in the Fulton County Court House. We have a Secretary and two assistants; however, these ladies have other duties of the Atlanta Bar Association, so that we have no full time worker. Neither of these ladies are lawyers. They answer telephone calls and interview those who come by the office.

Each person inquiring for the services of a lawyer is charged a fee of $10.00, which goes to the LRS and constitutes payment in full for 30 minutes legal consultation with a lawyer. An interview with the lawyer is prearranged by LRS. The lawyer is selected from a member of the LRS panel who specializes in the particular field within which the problem lies.

After the interview, the individual is free to either: (a) employ the lawyer further or (b) seek help elsewhere. There is no obligation to pay the lawyer any fee for this 30 minute consultation. The only exceptions are:

(1) Lawyers in outlying areas sometimes collect the $10.00 and remit it to LRS.

(2) Calls and letters from out of State are referred to 3 lawyers without charge.

(3) Inmates in Reidsville, the Federal Prison in Atlanta, and any other State of Federal penal institution are sent the names of 3 lawyers without charge.

Currently, among some 1700 members of the Atlanta Bar Association there are 250 lawyers on the LRS panel, who have handled 2,250 referrals over the past year. Each lawyer -- panel member -- is allowed to name as many as 4 different fields of law in which he has had legal experience. His selection is made from a list of 30 different and distinct fields of law defined by the Atlanta Bar Association.

Each member of the Atlanta Bar Association who joins the LRS panel pays an annual fee of $12.50 to help defray the cost of the service, and for those lawyers who are not members of the Atlanta Bar, the fee is $25.00 per year.

Our service is growing and expanding each year as the public becomes better informed on availability of this service. I would like to conclude this portion of my talk by telling you how successful our own office has been:

We supplied a female with an attorney panel member to obtain a divorce. The day her divorce decree was handed down, the same lady asked us to refer her to a "gay divorcee's" club. Not being without an answer, we told her to call the Better Business Bureau.

I would be derelict in my duty if I concluded my talk at this point without mentioning briefly the topic of "group legal services" or as defined by the American Bar Association, "group arrangements." Group arrangements are various plans by which legal services are rendered:

(1) To individual members of a group identifiable in terms of some substantial common interest,

(2) By a lawyer provided, secured, recommended or otherwise selected by:

- a. The group, its organization, or its officers; or
- b. Some other agency having an interest in obtaining legal services for members of the group.

I want you to know that my discussion here concerning legal services is not the opinion of the Atlanta Bar Association, the State Bar Association, American Bar Association or any other organized bar association or any other attorneys or firm of attorneys, but is solely my own personal comments.

The term "group arrangements" does not contemplate performance of legal services by non-lawyers, and the term "group" relates to a group of recipients of lawyers' services; it does not relate to a group of attorneys rendering the services. However, the group of recipients might in fact be served by more than one lawyer.

I feel that a brief current history of this service is important for you to acquire a better understanding of the problem and its solutions:

In 1962 the U.S. Supreme Court in the case of NAACP v. Button held that the NAACP could retain a staff of 15 attorneys and pay them $60.00 per diem to attend meetings and explain legal rights with respect to segregated schools and to encourage members to institute remedial litigation through the facilities of NAACP legal staff.

In 1964 in the case of Brotherhood of Railway Trainmen v. Virginia, the union was permitted to divide the United States into 16 regions, designating an attorney or firm of attorneys in each region, to handle Federal Employer Liability Act claims of the members of the union. In this case, the lawyer's compensation was derived directly from the individual client who was a member of the union, and in the former case - the Button case - the lawyer's compensation was paid for by the group.

Three months later, in July 1964, the Group Legal Services Committee of the State Bar of California, issued a progress report in which many group arrangements were studied including a motel owners' association, a teachers' group, a union, and a shipowners' association. This progress report concluded that there was an unfilled need for legal services of a substantial degree as to cause concern to the State Bar of California. Although the report was not approved by the Board of Governors of California State Bar, in May 1968, this Board promulgated new rules embodying in substantial measure the recommendations of this study made in 1964.

In 1967 the U.S. Supreme Court held in the case of United Mineworkers of America District 12 v. Illinois State Bar Association, the union could employ a salaried attorney on an annual basis to handle all Workmen's Compensation claims of its members. The union paid the attorney's annual salary and the usual fee of 20 percent allowed attorneys under the Workmen's Compensation Act was retained by the individual union, employee and recipient. The Supreme Court held that freedom of expression, assembly and petition guaranteed by the First and Fourteenth Amendments gave the union the right to hire attorneys on a salary basis to assist its members in the assertion of their legal rights.

The Supreme Court, although approving the above group arrangements, definitely appeared to have concern in protecting the public interest under such an arrangement. The two most important values to be protected consist of:

(1) Preserving the independent exercise of the lawyer's professional judgment.

(2) The preservation of the practice of the law as a profession by preventing the exploitation of the lawyer's services.

If an attorney is to be used as a source of profit to a third party through whom his services are furnished, there is an obvious threat to his independence. Thus, in any group arrangements, there must be neither exploitation nor control.

I trust that you understand at this point that we are not discussing legal aid, public defender office, lawyer referral service or military legal service arrangements. Other group arrangements which will inevitably appear in this decade will require additional safeguards because of particular threats to the values to be protected. I suggest the following minimum safeguards to any contemplated group legal services plan:

(1) The group should be organized and operated so as not to derive a profit or any commercial benefit or advantage; however, it should not preclude an employer from providing legal services for its own employees.

(2) If the group is organized solely for the purpose of providing legal services, the group should obtain from the appropriate Bar regulatory authority, a certificate that its operation complies with the laws, the canons of ethics, and the rules of the court of the jurisdiction.

(3) The group should not provide for any of its members any legal services which would in any way involve a conflict of interest among members of the group or between the members and the group itself, or the entity providing the legal service.

(4) There should be a written agreement between the group and the lawyer, which should be submitted to the authority, whether created by court rule statute or otherwise within the particular jurisdiction having respect for the control and discipline of lawyers, where the organization is located and where it proposes to operate.

(5) The terms of the agreement should state in detail what services a lawyer proposes to render to members of the group, what solicitation by advertisement or otherwise the group proposes to make in respect to the services.

(6) The terms of such agreement should affirmatively provide that the lawyer is in all events independent of all professional obligations to anyone other than the individual member of the group whom he serves.

(7) Any advertising and solicitation activities should conform to those minimum professional standards which forbid misrepresentation and overreaching by all lawyers.

(8) The participating lawyer should not take any part not justified by his prior relationship with the group in promoting the creation of any group.

(9) Although the group may pay the attorney's compensation, it must not utilize such payment as a means of directing or controlling the attorney in his exercise of judgment in representing any member.

(10) There must be a true attorney-client relationship maintained at all times between the attorney and the member being represented.

As you can see, there is a need for group legal services in aiding the corporation in providing for the general welfare of its employees, which benefit will, in my opinion, enhance the productivity of the worker by relieving him of some of his personal, legal worries.

The above information concerning group arrangements is, as I have previously stated, solely my own opinion, and I would like to conclude by stating that it is inevitable that this type of legal representation will be increased greatly during the next decade and that in conjunction with group legal arrangements there might possibly be other plans such as:
(a) legal fee financing plans, one of which has originated in Buffalo, and
(b) legal care insurance which has been studied in many communities, including Philadelphia, and is presently being studied by the American Bar Association, Committee on Group Legal Services.

Discussion

AUDIENCE: This service you are talking about, is it state-wide?

MRS. CARR: There are several services of this particular kind in Georgia. We have it in Atlanta, Macon, Columbus and Savannah. There are, I think, other mental health services in the state which provide some of the counseling that we talked about. The services I mentioned are supported by the United Appeal in these various communities.

AUDIENCE: We had one particular case less than a month ago, an alcoholic. This fellow was pretty bad; he needed drying out. He did get this help and he returned to work and now he is back in trouble again. We want to know what to do. He has not been detected drinking on the job. But we know there is trouble. How are we going to really help this guy? But when we talk to him, he says "As long as I am functioning from 8 to 5 on the job, what I do after that is none of your damn business." How do you handle that kind of display; yet it is fairly typical. When a worker gets in trouble, he resents the supervisor stepping in.

PATTON: I agree with the employee in many ways. I think the employer or any supervisor can say once, maybe more than once: "If there is something bothering you or if you need help, I hope you'll get it, and the company will support you in asking for help." There's no way in the world, I think particularly with addictive disorders, of forcing somebody to get help, because such persons can defeat you at every point. They have grown to be experts on this over a period of years. I think there is real value in the supervisor confronting the person and saying: "It is our feeling that you are getting in trouble again." But then you just have to let it go. The minister and community services can function oftentimes. But they can't go out and bring him in and save him. The man has to decide to do this himself and until he is willing, then your hands are really tied.

AUDIENCE: If it is a matter of performance, don't you have to let go on this basis?

PATTON: If he asked you to go on a performance basis, and you say "Yeah, I'll go on a performance basis," when he fails to perform it is probably time to quite taking care of him.

MRS. CARR: I think it depends upon how destructive the behavior is at that point, as to whether the person can reach out and accept some help. For some of these people, things have to get pretty bad with the real threat of loss of family and loss of job before they seek help. But the confrontation, and I will just give a quick illustration of an executive that I encountered a couple of years ago locally. He came in about a family problem, separated from his wife. He said, "I'm concerned about my wife; she isn't managing well," and so forth; and I thought the man had a hang-over and I confronted him with this. I had never seem him before and this was really very startling to him. There was initial denial. But, as we talked about it, I discovered that he had been passed over a couple of times by his company, although he was still at a fairly high level. It scared this man enough that a stranger could pick this up, that he did really do something about it. I never saw him again, but he called up one day to tell me that he was being sent overseas on a promotion.

PATTON: I think this is one of the advantages of referral when it is taken. When somebody else, who doesn't know that person, sees something the employer has been saying for a long time, or his wife's been saying, picks it up almost immediately, using whatever professional skill that he has, sometimes that is very helpful, even if nothing else happens. Even if he goes away and never sees the person again, that stirring it around may motivate him to ask later.

MRS. GURLEY: When I returned to my office yesterday from the Conference, I had on my desk seven cases of workers who had been garnisheed. When I asked them why they had not answered the Summons, all said that they had not received them. Then how can they answer? Does the plaintiff have to deliver the Summons, even if two attempts are required?

TRAYLOR: He doesn't have to make two attempts. One attempt is all he has to make. The sheriff is required to leave the Summons at the person's last address and is also required to leave a letter with that in it. A telephone call will not do the job at all. Frequently, the sheriff fouls up on things like this. If the employee claims he didn't get notice, it then becomes a technical, legal question. In this event he should have a lawyer--Legal Aid if the person qualifies, his own lawyer, or the Lawyer Reference Service to secure a lawyer.

MRS. GURLEY: These are people who do not even know how to get to the lawyer's office, and they are turned upon with such ferocity as this?

TRAYLOR: You have hit on the big problem which is facing the legal profession. Maybe the Lawyer Reference Service which Mr. Sams spoke about, can help the people in between. They don't quite qualify for legal services, and they can't afford traditional legal fees. Perhaps the Lawyer Reference Service can fill this need. We stretch as far as we can, considering the circumstances.

MODERATOR: Let me interpose with a suggestion. We do a number of mailed surveys, and we often do house-to-house interviews on some of our research work. We find that the changes of address are absolutely fantastic. That the moving around causes all sorts of difficulties in getting a complete survey. We go back and try to find the person and can't find him. Therefore, the mobility of people throws in another complication. The sheriff goes where the man did live and leaves the letter or leaves the notice. Does that meet the requirement that you attorneys want?

TRAYLOR: Absolutely not! He must serve the process in a legally proper way.

MODERATOR: You mean that the man sued must show that he moved from that place prior to the time that this happened. Is that right?

TRAYLOR: When the garnishment comes, he must defend against the garnishment. One difference is to show that he has been properly served. If he does not live at the place where the service was made, the judgment is no good. But he still has the job of going to court and showing that the garnishment is defective. But we had hoped for a change in the law. Both the Atlanta Bar and the Atlanta Legal Aid Society have been pushing for legislature which would require that there be a hearing on every garnishment to determine whether the original judgment was valid, with notice to both employer and employee. This is the method in many states. In many states a creditor couldn't garnishee a person without giving notice to the employer. In Georgia we don't have this benefit. It is assumed that the judgment is good.

AUDIENCE: I should like to ask Dr. Traylor if service on the employer is sufficient to support a legal finding on the garnishment?

TRAYLOR: This gives us a second subject to talk about. Before you can have a garnishment, you must have a valid judgment against an individual. For that, you must have service either in person or by copy on the employee. Once a valid judgment has been obtained, there's no requirement for further service on the employee in Georgia in order to get a garnishment. You don't have to try to serve the employee after the original judgment.

AUDIENCE: How does the employer know whether they have first served on the employee?

TRAYLOR: He doesn't. However, the employer should check with his own lawyer to determine if he has a right to deduct the money from the employee's payroll, for if he deducts improperly, he could be in trouble with his employee legally.

MRS. GURLEY: I wish there were some way of policing this problem of garnishments.

TRAYLOR: The law, as recently amended, shows very slight benefits. I hope that the legislature will seek to do two things. First, make it easier to set aside the default judgments by making the rule in Georgia the same as in the Federal Courts, where the default can be set aside if there is some reasonable neglect. Second, that both the employee and his employer be served notice of the garnishment so that they can present his defense. The employee who has a defense should be able to come into court without having to post a bond. He should be able to attack the judgment itself. Some employer's organizations that are equally concerned about the institution of garnishment believe it should be abolished, as in Texas, Maryland and Florida. In Florida a creditor can't garnishee the head of the family. In those states where they have no garnishment laws it has been found that loan companies continue the same practices with almost identical collection results. Creditors do not collect much money from garnishment, as the real "deadbeats" keep moving around. It is used as a terrorism device to help the collection process. In the states where garnishment has been abolished, there have been no significant changes in loan policies or consumer credit, or anything like that. The law of garnishment is ripe for reform. It would be better for the creditor to have a system where the employer could take the same amount from the employee's pay each month until the whole judgment was paid. We don't have that in Georgia. Our problem in Georgia, and in most states, is that nobody really cares about these kinds of things. When the legislature is made aware of what a mess it is and has time to consider it, I believe we will get a better law.

Some creditor's attorneys, however, will first write to the employee and try to work these things out without going to court. But it is very difficult for people with intermittent jobs to keep up a payment schedule. It might be helpful if the personnel department would advise its employees: "If you have a debt problem, come and see us before you are sued or before you are garnisheed and we will arrange a withholding plan for you". I have never heard of that being done, but it's certainly feasible. I believe that it would work.

Another solution: If you have an employee with debt problems, you should consider referring him to the Consumer Counseling Service in Atlanta. Often it can work out an employee-payment plan which is manageable. The employee's available funds are divided among all creditors to keep them from suing. The only restriction I have on this practice is that employees should only be referred to Consumer Credit Counseling Service when they admit that they owe everything for which their creditors are dunning them. Consumer Credit Counseling assumes the employee owes it and divides up the money rather than defending disputed claims. They frequently are able to work out a system whereby the employee can prorate his funds among all creditors. This saves the employee and the employer a good deal of difficulty.

MRS. CARR: They also have an educational service available which is designed to advise employee groups when there seems to be a fairly common problem.

MODERATOR: There's a young lady in the back who wants to make a comment.

AUDIENCE: What I have to say doesn't have to do with garnishments, so I don't know if it is completely apropos. I have been in Court with people who are accused of such things as paternity suits, assault with a deadly weapon, etc. What I have seen is very frightening to me. A Sentence is read in a confusing mass of legal verbiage. The poor person stands there in shock as he begins to realize that he doesn't understand what is being said. The voice of the Judge is harassing. Then before he has really had a chance to stutter a few very inadequate words and certainly not a defense at all, he is Sentenced to a fine, or to a child support amount of money, or to the

Fulton County jail for three months to a year. Then all of a sudden, he is going, and hardly realizes what has happened. This is a problem which is not an employer-employee problem, perhaps, but it is a serious one. I would like to bring it to your attention because I feel the group is intelligent and probably has civic influence.

MODERATOR: Anybody like to comment on that?

TRAYLOR: I would like to suggest that any of you who are interested in criminal justice in this area should visit the Municipal Police Court down on Decatur Street. You would be appalled at the conditions which exist there. What would appall you the most, and it is probably the best police court in the state, it operates as if it were still in the nineteenth century. The court's apparent disregard for defendants coming before the court cannot be blamed just on the Judges. Sixty thousand cases per year for three Judges is overwhelming, and this is something which the county must assume responsibility for.

AUDIENCE: Relative to the Truth in Lending Law, has it come up to expectations in getting a clear statement of the annual interest charge?

SAMS: One element of the law requires that the lender specify clearly the effective annual rate of interest. But, this is put on a form together with, say, several other forms when the buyer signs. He is in no mood, nor is he able, by and large, to read every one of the forms and clearly understand what is being asked of him. In essence, the law is just. But the administration of it leaves a lot to be desired.

TRAYLOR: We have been trying to do legal education in the Model Cities area for two years, and have had disappointing results in getting through. We have tried comic books, discussion groups, and role playing. The real problem is that these people don't have a great choice of where to get their money or where to spend it. You can advise them what the annual percentage rate means. You can tell them to shop around but if there is only one store; it doesn't matter how shrewd they are they can't do anything about it. This education problem also applies to people outside the ghetto. We have also found that a lot of our middle-class neighbors can't read annual percentage rates, and they will get stuck with a higher rate than they could by going to a bank. The point is they have always used particular loan companies. They will refinance when they shouldn't. I think it is more than trying to educate people, which is about next to impossible. Somehow we have got to be able to classify loan companies in order to identify those, who, if not clearly illegal, are the scoundrels of the group. I have about given up on trying to educate the public to identify that on its own. Most small loan businesses are usually honest and inclined to do a good job, but there are probably 25 percent who are out to gouge and cheat and do anything the law will permit them to do, and they often do some things the law will not permit, and sometimes anything they can get away with. We have to get up a list of those people and expose them in order that people will stop going to them.

INTEGRATED PROGRAMS FOR WORKER DEVELOPMENT

Assessment Center Approach of Southern Bell

by
E. D. Jelks
State Personnel Training Supervisor
Southern Bell Telephone & Telegraph Company

Thank you Dr. Fulmer for your invitation to participate in this seminar. I am especially grateful that you will allow me to speak on a subject so close to me personally. The subject -- Personnel Assessment Centers.

As I look around the room I am inclined to believe I have senority on just about everyone here. Is there anyone here with more than 42 years service with the Company they represent? If so, come by on your way out and I will loan you a crutch. I get along pretty well with just one anyway.

Yes, I started to work with the Southern Bell Telephone Company on May 6, 1929, in Thomasville, Georgia. And in these 42 years I have learned one thing that I believe more each day. And this one thing is, that the hardest job the good Lord ever gave a man to do was to evaluate or appraise or assess another man. And I work for a Company that has committed itself to the belief that man simply cannot evaluate man in an unbiased and unprejudiced manner without help. Why? Because man is inherently a biased and prejudiced creature.

Where can you find a Tech man who is not sure that his team is better than Georgia's? And are not the Auburn's better than the Alabaman's? The Smiths than the Jones? The Methodists than the Presbyterians. Find me a Voldostan who will admit that Richmond Academy's football team was better than Valdosta's notwithstanding the evidence that Valdosta's team was beaten by Richmond Academy at the State semi-finals last year.

If you had known me well enough to ask me a question about my son when I first stood before you to speak, I would probably still be talking about him. I love to talk about him as some of my luncheon companions found out today. I am very proud of him! But if you will listen to me talk about him for 10 minutes and record what I say about him and then play the tape back to me, somewhere on that tape I will have said something to you about him that will not be the complete truth. I can't help this to save my life. You see, the good things about him sound so good to me when I tell them to you I simply make them sound a little better. And the bad things about him sound so bad I won't even tell you about them if I can keep from it. And if I have to tell you, I will make them sound like they really were all right.

This still is not my point. My point is that I freely admit this to you. I am not ashamed! This is a father's bias for his son and I think a father should be biased in favor of his son. I think a son should be biased in favor of his father. So should a husband and wife relationship be--a mother and father--sisters and brothers--what am I talking about? The family--the strongest single unit left in America today and God help us if this is ever destroyed. But what holds it together--Bias. You see, the society in which we live dictates to us that this bias is all right within the family. Don't we all smile as we listen to a new grandfather describe his new grandson? But what do we do with our biases and prejudices when we come to work? It would be wonderful if we could leave them at home as we can a coat or hat, but unfortunately we cannot. And it is precisely here that biased decisions involving all members of the business family begin to raise their ugly heads. The hierarchy of the Commercial Department is sure that the young men in that department are best for promotion within the department before the bright young men in the Marketing Department are considered. And the Plant Department is equally as certain that their people are better candidates for promotions than those men in the Engineering section, and on and on. And don't overlook the hunting, fishing, and golfing buddies when job vacancies are created. When we faced up to the true facts surrounding our selection processes some time ago, we reached out for something better. After trying three or four other methods, we finally settled on the Personnel Assessment Program. It is now a way of life in our Company and it grows in popularity with us year after year. We now subscribe to the philosophy of Dr. Saul Gellerman when he said, "The proof of the pudding is not in the eating but whether it gives you lasting happiness or heartburn."

We have processed over 3,000 people through our P.A.P. in Georgia in the past eight years. We have, as a result of this, over 500 supervisors today that were evaluated in the Program. But what is this Program? What does it include, what is the objective, who attends, et cetera?

1. What is the objective?

A Craft Personnel Assessment Program is a process by which a craft person's managerial skills are evaluated in a uniform or standardized way. Each person attending the center is observed and measured under comparable conditions. By this we mean that the candidates meet away from the job on "equal" ground where technical knowledge of a job or personal biases of supervisors cannot give one candidate an unfair advantage over another.

The candidates are observed by a staff made up of six (6) second level management people who are specially trained in this area and who have a thorough understanding of what is expected of a first level supervisor.

The tests and group problems are designed to explore the talents and capabilities which the employee has not previously had an opportunity to demonstrate on his everyday job. These tests are samples of the tasks which supervisors are called upon to perform in a management job.

The program is not designed as a final judgmental factor in the selection of management personnel, nor does it replace the supervisory appraisal of current job performance. It simply makes one more piece of information available that can be fitted into a record of employee performance.

2. Who Attends?

Candidates at Personnel Assessment Centers are usually those craft people who are seen by their supervisors as having potential for management. Perhaps it should be pointed out that the assessment center does not in any way measure technical ability or job knowledge. Rather it is assumed that the candidates have sufficient technical ability before they are sent to the center where management characteristics are examined. All this is to say that a top-notch craft person does not necessarily make a good supervisor. The assessment process helps to determine the presence or absence of managerial skills in technically competent craft personnel.

The supervisors discuss the program with potential candidates and offer them the opportunity to attend. Participation in the program is strictly voluntary and must remain as such. Attendance at a center does not guarantee or even imply immediate or future selection for a management position. Conversely, failure to attend the center does not mean that a person cannot be promoted. It is intended that an assessment center will identify people with outstanding qualifications. This should aid in present selections and help build a pool of promotable people from which future selections may be made.

3. Who conducts the program?

The program is headed by a director who is responsible for its work. It is not recommended that anyone of less than district level fill this role. The director should be chosen for his ability in the human relations area and demonstrated success in handling personnel problems.

The staff consists of six supervisors who are two levels of supervision above the level of the candidates and complete strangers to them. This places the staff at the level which ordinarily nominates men to be considered for promotion to management.

The staff members are charged with the responsibility of acting as representatives of company management. As managers they must pass on the qualifications of potential managers. They are chosen on the basis of their proven management ability and a reputation for being able to fit into unusual assignments. Since much of the success of a program of this nature depends on the ability of the staff, it is imperative that these supervisors be able to express themselves well, both orally and in writing.

4. What does the program consist of?

The techniques by which measures of the various management skills are obtained may be grouped into four general types: (a) An in-depth interview, (b) paper and pencil tests, (c) group performance tests, and (d) individual work situation tests.

Before the candidates attend the center, they are interviewed at great length by a staff member to learn more about their personal background and their ambitions for promotion within the Company. At this time any questions they might have about the assessment program can be answered and final arrangements made for their attendance at the center.

At the assessment center, the employees are tested for two days along with 11 others. They take written examinations designed to measure their aptitude. They participate with the rest of the group in oral problem-solving so that the staff may observe their planning and constructive contributions, their judgment of problems and people and how they react to others. They are then placed on their own in a typical management work situation so that the staff may observe how they handle administrative work.

5. How are the results appraised?

After the employees return to their jobs, each staff member writes individual reports covering the various aspects of the employee's performance at the center. The next phase of the assessment program consists of an evaluation by the staff members of each of the candidates. This evaluation takes place when the staff meets as a group, reviews the performance of each candidate on the various tests and techniques, gives any other pertinent information available, and decides the rating on each of the management variables. The management variables or characteristics used in the evaulation process were chosen because of their relevance to success in management and because they cannot readily be observed when a person is working on a craft job. The rating on these variables might be thought of in terms of describing the candidate.

After a given candidate has been rated on each of the management variables,the staff members individually decide the overall potential for management of the candidate. This second phase, or evaluation, places the candidate in one of the following four categories: (a) More than acceptable for promotion, (b) acceptable for promotion now, (c) not acceptable for promotion now, but likely to be acceptable sometime in the future, or (d) not having potential for promotion. It should be emphasized that this is not a mechanical summing up of the ratings of the management variables, but is instead a decision based on the relative importance of the strengths and weaknesses of the candidate as seen by each staff member.

The staff members, as experienced supervisors, are familiar with the first level job. Presumably they have the ability to recognize management potential and within the program, they have the opportunity to exercise this ability under standardized conditions. Therefore, after they have made their evaluations, they write an explanation for their vote as if they were "talking to the supervisor" about the person, citing strengths and weaknesses of the candidate and, if possible, those areas in which further training would increase the candidates management potential.

The last phase of the evaluation consists of a listing of the candidate's assets and liabilities to be used by the director in preparing the feedback. This might be thought of as the staff member "talking to the assessee" through the director.

Thus, the four phases of appraising the results are completed. In summary they are: (a) Description, (b) Evaluation, (c) Staff addresses comments to management, and (d) Staff addresses comments to candidate.

6. How are the results used?

Certainly, the most important phase in the operation of any assessment center is the use made of the findings of the center. In addition to the report made by the center, other factors such as technical ability, age, health, geographic location, departmental background, et cetera, may enter into decisions about the future of any particular candidate. The relative weight given to each of these factors would depend on the needs of the business and the long range potential of each candidate.

Assessees, if they so desire, may have a feedback on their assessment at the center. This feedback is usually given by the director, first, to the line organization and, then, to the assessee. Since the purpose of the center is to differentiate among the candidates as to degree of managerial competence, it is almost inevitable that some will be seen as not promotable. It should not be construed that a person's assessment at any one time will necessarily be valid for the remainder of his career with the Company. People can and sometimes do change in their performance, and this factor should be kept in mind before final conclusions are reached.

All feedback, but especially those given to assessees who did not perform extremely well at the assessment center, stress self-development. This may be particularly worthwhile if specific weaknesses have been noted by the assessment staff.

Thus the assessment program benefits both the employee and the Company. It aids the employee by pointing out strengths and/or weaknesses from which he can plan a program of self-development. It is beneficial to the Company because it not only identifies outstanding people within the craft ranks, but also makes additional information available concerning the managerial skill of all the people who attend. Through the use of this knowledge the quality of management should improve.

Migrant Labor Project of the Coca-Cola Company:
Model for Government-Business-Worker Cooperation

by

Garth Hamby
Editorial Group Manager
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The Coca-Cola Company

In reviewing the topic assigned to me today, it was a little bit frightening to see that it was called "a model for government and business and worker cooperation," because our Company's Farm Labor Reform Program is far from a model at this point. We are not sure what it is or what it is going to be. However, a lot of people are working very hard to make the program a success, but only time will tell what the lasting results of those efforts will be.

In 1960, The Coca-Cola Company became a corporate farmer when it acquired the Minute Maid Corporation, then headquartered in Orlando, Florida. With that acquisition, we acquired about 30,000 acres of citrus. As you know, most farming operations today are harvested by mechanical means. That certainly is not true in the citrus business, however. Technology has yet to come up with a machine that will look at an orange tree, for example, and decide which orange is ripe enough to pick and which is not; so it takes a human being with hands, with eyes, with judgement, to do the work. Thus, the task of getting the fruit from the tree falls to an individual--many of whom are migrant workers.

A few parameters of our personnel situation in Florida, and I think we can then get into the particulars of the Farm Labor Reform Program. There are two broad categories of employees in our groves. One group is comprised of those individuals who cultivate the land, prune the trees, etc., and are termed "groves employees." The second group is made up of the employees who actually pick the fruit from the tree and are termed harvesting employees.

Now, in order to harvest the 30,000 acres of citrus each year, the Company employs roughly, 1,000 harvesting workers. But in order to keep a steady work force of that size, we see roughly 4,000 individuals during the course of the six-months harvesting season.

Our harvesting personnel can generally be divided into three groups. One would be the families who live in company-owned housing. We own about 80 homes in the areas of our groves and these families live in that housing, for the most part, year round. They live rent free. The breadwinner of the family may migrate to other areas of the country when citrus harvesting is completed, but in most cases, he will leave his family in that housing while he is away. The second group of our labor force is the single individual who lives in company provided dormitories, and it is within that group that you will find the true migrant. The third part of this picture is a group of harvesting employees who live in nearby cities and towns, who show up at the groves, pick for a day, are paid, and return to their homes.

Now, with those dimensions, let's look at what we call our Agricultural Labor Project. Early in 1968, the management of our Company was watching very carefully the situation with migrant workers in California, and particularly that of Mr. Chavez and the grape growers. At that time, the decision was made that we should look at our own operations in Florida; and the management of our Company's Foods Division, which is the operating unit that handles our citrus business, was asked to make a detailed study.

That report told us that the plight of people in Florida who harvest citrus crops, whether they were ours or anyone else's, was not good; housing was bad; health was bad; educational levels were almost zero; and hope for the future was practically non-existent. Of course, the next question we had to ask ourselves was: As a single company with 1,000 out of an estimated 60,000 to 70,000 migrant workers in Florida, could we do anything for the migrant worker as a whole. Perhaps, even more importantly and to the point, should we, since many of these individuals are in our groves only a few days, or at best a few months of the year? Well, the answer, of course, was that while we didn't know what we could do, we certainly should try to do something. It was at that time that a Task Force of individuals was formed to study, first of all, the problem; and secondly, make recommendations for solving those problems. It was an enlightening experience for me to be a member of that group, comprised of individuals from throughout the Company. The housing for family units was found to be generally fair. Of course, it certainly didn't measure up to middle-class standards, but generally, it was not that bad. Some housing, however, was in deplorable condition. Housing, naturally, became one of the first targets for improvement.

Our first inclination turned out to be a mistake. We were inclined to rush in with a paint bucket, hammer and nails, and rectify the situation insofar as housing goes. But when the management team assigned to get this project underway probed closely into the program, they discovered that they had left out what may be the single most important key to success, and that was worker involvement. We simply had looked at the physical thing and left out the human element. We were prepared to tell the people what was the best for them without asking what they wanted.

It was at that point that we decided we should get some professional help because well-meaning as we were, we simply were in a new business. We found that help in the form of a company based in New Jersey, called Scientific Resources. They are a group of behavioral scientists with a pretty good track record of working in the area of humanities, particularly in ghettos, and they were employed to develop for us a program that would involve maxiumum worker participation because we felt that in the long run that's the only way the program would have a chance for success.

Let's look briefly at each of the four main areas of our Agricultural Labor Project, in light of worker, government, company participation. Those areas are: housing, health, education, and social services, employment, and organizational development.

One of the first actions was to go, through Scientific Resources, to the workers themselves, particularly the families who were year-round residents. What were their wishes? What were their hopes? These are individuals who, as you probably know, have been for generations in a seemingly endless cycle of poverty and they've been promised a lot of things and those promises have not always been fulfilled. So, on the advice of the consulting group, we went to them and after there was some credibility on our part, we were able to form a committee composed of harvesting people that we called our Housing Committee. The Committee served initially in an advisory capacity between management and workers. Then, after several formal meetings, the Committee was asked to survey all of those families living in our housing to determine their wishes in the area of housing. It was not, I guess, too surprising that they wanted to own their own home, but that was something as far as they were concerned, that was blue sky. The Company, which owns the houses those families now live in, wanted out of the housing business. Acting merely as a catalyst between the harvesting employees and the Federal government, the Company is assisting these families to obtain home loans under FHA 235 funds, and there are today 21 homes under construction that the families will own individually. A total of 80 homes is scheduled for completion by mid-fall in two sites set aside by the Company for housing purposes.

In the area of dormitory housing, we took a critical look at our existing facilities. One dormitory was considered to be sub-standard, and it was torn down. We spent about $125,000 constructing a new dormitory facility which features separate buildings in a campus-type atmosphere. It would be our hope that down the road this new dormitory facility will no longer be needed in that the whole program will eventually stabilize a work force, a work force akin to those in other parts of the Company, i.e., you live in your own homes, and you come to work at a prescribed hour and you go home. A second existing dormitory was extensively renovated.

Also, we went to the workers, here again the single workers, and set up a worker-management committee to serve primarily in an advisory capacity. The idea here was to involve these workers, even though most of them are migratory, in the total program. Now, in the area of compensation, one of our first actions was an across-the-board pay raise of about 20 percent to those individuals who cultivate the groves, as distinguished between the harvesting personnel. They also were up-graded and re-classified as full-time, regular employees of The Coca-Cola Company, receiving all of the benefits that I do, or any other employee does. An early result of that action is that for the first time, in many years, we have a waiting list of applications for those particular jobs.

For the guy who picks the orange off the tree--the harvesting employee--we started a pilot program early this year testing new ways of compensation. As you may know, the traditional pay procedure is the piece rate. You pick a box of fruit and you get thirty-five cents, forty cents, whatever the prevailing rate is. One criticism of that system, however, is that on those days when weather doesn't permit picking, there is no income, for example. The program is testing basic weekly income, but with a lower than usual piece rate. This activity had to be initiated as a test because we simply did not know, for instance, what this would do to the high producers, those fellows who could pick 150 boxes a day. The salary was based on picking for a certain number of days per week and we did not know how this would be received. A hundred men volunteered to participate in this program and we're happy that it is meeting with enough success that it has been expanded now to nearly 300 individuals. Now that the harvesting season is ending in Florida, we will be able to evaluate a lot of the programs, such as this one, in light of the next harvesting season. In addition to the base salary and the piece rate, these harvesters in the pilot program were classified as regular employees of the Company and they're getting the benefits of paid vacations and holidays and all other benefits that company employees get. For the 700-800 harvesters not in the pilot program, we inaugurated a special savings program whereby the worker could put up to 5 percent of his earnings in a savings account, and if he stayed with us through an entire season, which is about six months, we would match it dollar-for-dollar at the end of the season. His participation would, of course, draw interest and he would have money at the end of the season.

We also offered to them, and I think that this is the first time that any of these benefits have been available, a medical program which covers them year round, even after they leave our groves, providing they have worked for us for a full season. And a $1,000 life insurance program was initiated for these workers. These are all against the day when we will be able to work with a stabilized work force. We're in a little better position than perhaps other groves owners' in Florida, to effect such a program, in that we have, in addition to oranges and grapefruit, lemon groves that are beginning to bear fruit. As you may know, lemons are harvested off-cycle with other citrus, so that when the oranges and grapefruit are harvested, then the lemons are ready for picking. As more and more of those groves come to bear, we hope down the road to be able to provide, maybe eleven months of the year employment. This, we hope, can stabilize the work force that harvests citrus.

While I have not stressed the point, I hope that you can see that the program is not a welfare type program but, instead, a self-help approach. The paint bucket and the hammer and nail approach would have been welfare. Worker involvement, as the program is now structured, we hope, will be the key to success. Also, we think that the project will serve as a model for other growers to use--parts of it, portions of it, or all of it. But it has got to be economically viable in order to make it interesting to others; and to us that was one of the prerequisites.

In the areas of health, education and social services, we have operating in temporary facilities social service centers, which at the present time offer counseling service, assistance in the application for home financing.

The centers are staffed by former harvesting workers, now serving in full-time para-professional roles. Down the road, we hope that these centers will be able to offer such assistance as preventive medicine, adult education, and the like.

A new day care center opened recently for children of harvesting workers. Here again, we're working under a set-up that is somewhat new, called a Community Development Board. The Board is composed of harvesting workers from a particular community who decide what services to offer to their fellow employees, such as day-care facilities. Initially the Boards came to the Company for funding. In the future, they could go to city, county, state, Federal or other private sources for funding the programs.

In the area of organizational development, the Company reflected its genuine commitment to this program by assigning a top-notch management team to Florida to administer the program. All levels of supervision within the groves operations are undergoing extensive attitude and sensitivity-type training.

Today, the program is at the beginning of the beginning. A good foundation has been built, and the program is ready for building upon that foundation.

The West Point Pepperell Company Program

by

Charles Parham

Coordinator of Training

West Point Pepperell Company

When I first started collecting my thoughts about this program, I sought a little advice on the subject of productivity. I went to my wife and asked her what she thought about it, as I do in most instances. And I told her that I was going to present a program here at Georgia Tech, the subject of which would be "Maximizing the Productivity Improvement of Hourly Workers." Well, she made it obvious that she had more important things to think about than my giving a presentation here at my Alma Mater. She was talking about groceries. She said if the price of them kept going up that we were going to have to cut back on our eating very drastically. Emily might have thought that she didn't know anything about productivity, but when she started talking about rising prices, she put her finger right on the heart of this matter of productivity. Inflation in industrial activity has become of prime concern to the American public. At this point, the consumer price index is probably exceeded in popularity only by the air pollution index. President Nixon has recognized that the roots of our inflation are firmly implanted in this business of productivity improvement, and he has gone so far as to appoint a national committee on productivity. Various business and labor leaders have recognized this productivity crisis, and some have even evidenced their recognition by agreeing to serve on the president's national committee on productivity. At West Point Pepperell we have been, and are, acutely aware of this productivity crisis, probably more so than most. As an important member of the textile industry, we have seen, over the past four years, the wholesale price index for all products rise more than 13 per cent, while the wholesale price index for the textile products has risen only 1.3 per cent. We have seen, in general, prices rise ten times more than our prices have risen. We are holding the line on inflation!

And while our prices have risen slightly in excess of 1 per cent, a major component of our manufacturing costs, the hourly earnings of our hourly employees have risen more than 40 per cent. If you add this to the steadily increasing flood of textile imports into this country, you have a productivity crisis, the resolution of which might very well determine survival of the American Textile Industry.

Well, I have stated the problem. It has been stated before. We are all aware of it. Now, what are we doing about it? Well, we are doing a number of things. The first thing that comes to mind, of course, is technological improvement. Over the past ten years, we and the rest of the textile industry, have made tremendous strides in manufacturing technology, and we are continuing to make strides in productivity improvement through technological improvement. But these improvements are slow. They don't keep pace with the need, and despite the advances that we have made and are making, we are still a labor intensive company in a labor intensive industry. We recognize that if we are to succeed in making the productivity gains that are necessary for the successful operation of our company, that we are going to have to achieve these gains through the development and upgrading of those hourly employees on the front line.

About five years ago, we launched a program, along with a number of other companies in the industry, to accomplish the objective of developing and upgrading our approximately 18,000 hourly employees. The program itself has no fancy name nor is it identified with any acronym. The vehicle through which we implement the program, and which we bought from consultants, is identified by the letters A.A.M.T. -- Advanced Analytical Method of Training. A very fancy name for something which is simply a method of training new employees and re-training older employees, using analytical methods.

First of all, let me describe to you the method -- the Advanced Analytical Method of Training. There are eight principles or steps involved in the method. As you probably have inferred already, this method involves some sort of analysis, and as a matter of fact, the first step in this method of training is operation analysis. Each job in all of our various plants is carefully analyzed and broken down into component parts and then each of these component parts is described in terms of its behavioral aspects. A complete operation analysis provides the basis upon which the rest of the program is built.

The second step or principle is planned selection. Using the operation analysis as a basis, a personnel specification is established for a particular job. This specification details the physical, mental, and psychological requirements of the job. It thus provides the personnel department a basis for matching, as closely as possible, the job applicants with the job itself. Now, in the textile industry you hear about unemployment going up but we haven't experienced this. Our labor market still seems to be very tight. And when we talk about Planned Selection here, we get into a period of fluctuating standards for personnel specifications -- a fluctuation in conjunction with the tightness of the labor market.

The third step in developing the program is systematic skills development. Again, using the operational analysis as the basis, we design exercises. These exercises are intended to teach one skill at a time and are taught in a logical learning sequence, rather than in the order performed, the traditional method of teaching. With the setting up of the systematic skills development portion of the program, the foundation of a training program is laid.

The fourth step involved is the establishment of a training center, which is merely a vestibule away from noisy production areas, a place which provides an atmosphere for learning. This training center is equipped with mock-ups, and other training devices, as well as actual production equipment. It is nothing more than a classroom where employees learn to perform the function for which they are hired.

The fifth step or principle is trainee participation, and we believe that this is probably one of the most important principles upon which the whole program is based. The entire program, although it may seem that it is very rigidly designed, is actually very flexible, and is designed so the trainee himself participates in it and, to a large extent, determines the direction and the content of his training.

Trained instructors is the sixth step. The entire success of these programs depends upon these instructors, who incidentally, are hourly employees performing actual jobs, who are recruited to instruct the jobs they have been performing. It is essential that these instructors are trained in the job to be taught and in the methods and techniques of training. But more importantly, the instructors are trained to have the correct approach and attitude toward the trainees with whom they are working.

The seventh step or principle is a planned program. This may seem to be in conflict with the flexibility I mentioned, but it isn't really, because it is planned to be flexible. Recognizing that learning has to be an interesting experience, rather than one of humdrum repetition, the trainee's work is carefully planned with his cooperation and with his participation to include frequent changes of activity in the earlier stages, building up to sustained productivity runs progressively during the course, as his skill and his stamina develop.

The eighth and last principle or step is measurement of progress. During the course of training, progress is measured by maintaining records of exercise time, quality levels achieved, output figures, and other relevant information. The primary purpose of these measurements is to keep the trainee continuously informed of his progress. In the earlier stages of his training, we take measurements and inform him of these measurements and his progress in time measurements as small as five, ten, or fifteen minutes.

These eight principles, or steps, constitute the basis for our training program. We apply the principles to hundreds of jobs in all our plants, both in the training of new employees and the re-training of older employees.

Let me say a little bit about how we get it done, i.e., our organization for training. Each plant of West Point Pepperell has a staff department, the training department, which is responsible for the organization, programming, and application of our operations of training and re-training in their plant. The head of that department is the training supervisor who is responsible basically for the design of training courses, the selection of training instructors and the administration of the plant's training program. His staff consists of instructors, skilled operators in the operations that they are instructing.

It might sound as if the training department has built an isolated niche for itself, away from the real problems of production and manufacturing, but this is certainly not the case. The training program for our employees is coordinated very closely with other company functions. In the area of personnel administration, it serves as a very effective communications' tool in conveying to new and older employees the importance and ramifications of fringe benefits, such as insurance, profit sharing, and retirement plans. The initial portion of any training program is taken up with the orientation of that new trainee. We explain company policy and procedures to the trainee during this time and we extend it over a period of time. We don't try to give him one "shot" of all these rules and regulations and policies and procedures that we've got and expect him to absorb it.

Safety! Safety training is built into the training program. We also maintain very close coordination with the industrial engineering functions. We give careful explanations of pay and incentive systems. When method changes or process changes are introduced by the industrial engineering department, the training department has the task of re-training employees so that they can adapt to these changes with a very minimum of trauma.

Special programs are often keyed around the training program for hourly employees. For example, last year West Point Pepperell participated in the Job 70 program, providing basic education training and job training for approximately 300 disadvantaged people. Our training program provided the core around which we built the Job's 70 program.

Let me say a little bit about the objectives of our program. The basic objective of our program is to do just exactly what the subject of this conference is all about: To increase the productivity of our hourly workers. We seek to attain this objective by training our hourly employees to produce goods of the highest quality at the lowest attainable manufacturing costs. Other objectives which are directly related to increasing productivity are shortened learning time, improved operator confidence and morale, reduced labor turnover, and reduced absenteeism. The results over the last five years of this program's existence have, by and large, been gratifying. We have achieved most of the objectives stated. We know that we can shorten the learning times, in most cases, by at least fifty per cent. We know that we can improve the individual's quality and quantity output, and the effect that we have had on more intangible items such as, employee morale, labor turnover, and absenteeism is difficult to measure as there are so many variables involved. Generally, the indicators which measure these intangibles have shown little improvement over the past few years. I feel though, and it can only be a feeling, that our training program has had a positive effect upon turnover and absenteeism. My position is: Where would we have been without it? In any case, our indicators, the ones which show us the turnover and the absenteeism, indicate that we do substantially better than the industry as a whole.

"Member of Our Family" Approach in Japanese Industry

by

Nat Gilbert
Vice President and Treasurer
Matsushita Electric Corporation of America

I am most pleased to be here today, and I'm going to talk to you about a subject which may seem somewhat unusual to you, and being unusual, I hope it will prove a little bit interesting. One can't talk about labor relations, generally, without also talking about "the establishment." In the United States today, most young people are constantly interrogating the establishment, and this comes from a serious doubt about some of the things that the establishment is doing, and some of the values that are held by the establishment.

This is also going on in Japan to some extent. But one might say that this activity in Japan is at least several decades behind the activity in the United States. This is not so because Japan is a backward nation. I think Japan has proven that it is qualified to take its place among the most progressive nations in the world. It is rather because of the economic tie, and the economic dependence that the Japanese employee feels. This economic dependence requires allegiance, which is sometimes difficult for an American to understand. It's a time-honored axiom, "Never bite the hand that feeds you." And, from this axiom, developed as I hope to in this talk, will come some understanding of the "family concept" in Japanese labor relations.

There is another aspect that I would like to introduce, and my name for it, you won't find it in any textbook. It is very easy to remember; it is the "We" syndrome--"We," "W - E." The "We" syndrome, simply stated in the Japanese tradition, subordinates the goals of the individual to the overall objectives of the group. And I mean the individual subordinates his goal to the objectives of the group. Despite the enlightened self-interest and the "We" syndrome, Japanese youth does not accept everything at face value. Particularly, within the last decade one may note an alarming increase in so-called heretic inquisitiveness for which, by the way, the Japanese establishment is almost totally unprepared. I must make this qualification before hand to lend the proper perspective to the things I am about to say.

First, a little history. When Japan suffered its terrible defeat at the hands of the United States in 1945, the expectation of the general population of Japan was that the nation would be completely subjugated to rule of the victors. And the people of Japan truly expected the worst. Indeed, when Japan was the victor in a number of wars that had preceded World War II, the vanquished enemy expected the worst, and what is more, they usually got it. When, however, the military government under the leadership of General Douglas MacArthur sought to rebuild, among other things, the economy of Japan and to bring order out of chaos, the Japanese were quite pleasantly surprised.

Indeed, Douglas MacArthur is looked upon as more of a hero today in Japan than he is in the United States! Among the reforms instituted by General MacArthur were the first labor unions in Japan. And the labor unions in Japan today are outgrowths of the organizations set up and encouraged by the U. S. military government. Another of the reforms instituted by General MacArthur was the attempt to break up the so-called Zibatzu. Now the Zibatzu, for those of you who are unfamiliar with the term, are the Japanese cartels, an interlocking of the wealthiest families in Japan.

The history of the Zibatzu goes back several hundred years. The breaking up of the Zibatzu and the reforming of the Zibatzu are subjects that would take a great deal of time and I can't go into them here. Suffice it to say that in the pattern of things, the intention was to strengthen labor and to weaken monopolistic industry. How this evolved into the situation existing in 1971 is a study in the elastic power of tradition. Tradition would not permit labor to be superior to management. This was counter to the spirit in Japan and no legislation could change this, certainly not within the space of two or three generations. But change it will! It is merely a question of when and how much.

With mass communications, the Japanese are as familiar with what is going on in the rest of the world as we are. They observe the power of labor in the western world. They read about how strikes paralyze industry in Germany, France, Italy, Britain, and, last but not least, the United States. Japanese labor is not ready for this kind of power. This power is not consistent with the "We" syndrome. Management belongs in the hands of the managers; and Japanese labor certainly thinks that it knows its place. This is not to say that Japanese labor will not strike. One only need read the newspapers to know that this happens with some frequency in Japan. The form is the same, but the difference in substance is dramatic; namely, how they strike, for what they strike, how long they strike, and what they settle for.

One difference is the fact that Japanese unions are almost always company unions. Therefore, if the Japanese union were to paralyze the company, if they were to defeat the company, and the company were, as a result of this, to be economically unsound, they would no longer have a livelihood. The Japanese labor union is as interested in the welfare and the continuity of the company as the management and the stockholders of the company. And so, they never bite the hand that feeds them. The Japanese labor union is often an organization which bears heavily and conscientiously the burden of economic responsibility for the consequences of its acts. I might say parenthetically that Japanese labor unions have a full-time staff of economists.

A Japanese young man seeking employment is not the same as an American youth looking for work. While the American certainly is interested in being placed with a good and growing, progressive organization, there seldom is the feeling that his first job will also be his last. The Japanese, however, will more than likely spend all his working years with one employer. And this is not just the matter of livelihood, but rather a traditional marriage contract and the divorce rate of such marriages is insignificant. If one were to think that this tenure springs from the traditional paternalism, the fringe benefits, the various other things, the semi-annual bonuses that the Japanese employer provides, one would be hopelessly misled. It is not a matter of the tangible benefits that the employee receives, but rather a life-style that goes back hundreds of years. The Japanese family is truly dear to him, as dear to him as our families are to us, but the more important, over-riding factor in the Japanese man's life, and I repeat, in the life of the Japanese man, is his business family. Virtually all of a Japanese man's waking hours are spent either in the employer's premises or on behalf of the employer. When the Japanese man's business day is over, he retires to his favorite tea house or night club to avail himself of the companionship, the conversation, and comfort that he seldom gets in his often very spartan home.

What the Japanese wife receives, and the women in the audience are going to find it very hard to accept this, but what the Japanese wife receives in the way of companionship are the meager leavings. The sentimentalities are to the institution where the gentleman spends most of his waking hours, and it is not surprising, therefore, that the man regards the company as his primary pride. The company, on the other hand, and I guess this is pretty world famous by now, provides for the employee in some usual and some unusual respects. One might say that the company is to the man what the man is to the wife, and the loyalty progresses up the scale in inverse order.

How, then, does the company avail itself of and profit from this traditional loyalty? Well, the keynote of this seminar is "Maximizing Productivity Improvement of Hourly Workers." It is my belief that the purposes of this seminar are to discover how to channel the latent energies of production workers into productive activity, and how to get this latent energy into potent motion. I would like to submit that one primary difference is that in Japan the energy is not latent. It is virtually bristling and waiting to be channeled. So, the Japanese, if I may, will start where this seminar ends off. The Japanese worker is already motivated and he is only crying for leadership and guidance.

I am here representing Matsushita. I said it right, you didn't, Doctor, Matsushita Electric Industrial Co., Ltd., the largest producer of consumer electrical and electronic goods in Japan and the leading exporter of such goods. Dr. Gilman has already clarified that this company is the source of Panasonic.

How do they do it? Basically, the method is the dissemination of the company's basic philosophy and its seven points of human behavior. These seven points are roughly related to the boy scout oath, and I'm not knocking it. These principles are simply statements of human virtues and one can't quarrel with them.

How does the company start each work day? And this you might find hard to believe! Each morning, the employees are assembled in front of the factory, in fair weather or foul, in warm weather or cold, and a ceremony is conducted. And I might add overcoats are forbidden. The ceremony opens with the singing of the company song and with the announcement of the seven basic objectives.

Then follows some brief announcements, and if a visitor happens to be present, he is asked to address the group and say a few words. Incidentally, I go there every January, and each January I am asked to address this morning meeting. The climate in Osaka is roughly equivalent to the climate in New York. In January, it is a good time to be in Miami. So, out of deference to my listeners, I make my speech short, but today the climate's good, and you're not going to be spared. An abbreviation of this ceremony takes place again at the end of the work day. So, you've got to picture this--you know, you start off in the morning singing the company song, Rah! Rah! Hooray! Team! and the same thing at night.

In addition, twice each year, a company policy meeting is held wherein the president of the company states his objectives for the coming six-months' period, in the broadest of terms. All the managers present are expected to translate these objectives into more specific objectives, dealing with the manager's own operation. Once these objectives are formulated, the managers have meetings with their own people and announce the basic objectives of the top management as well as the specific objectives relating to their own department. From this, each individual employee is expected to translate these objectives into personal objectives. These goals are not taken lightly, they are vows which are religiously kept! You might say that they are like a New Year's resolution. But, how many of you kept the New Year's resolution you made January 1, 1971?

Now, what I have described is just one form of vertical communication. There are elaborate procedures for additional forms of vertical communication as well as horizontal communication and mass communication. There exists an elaborate communications machinery designed to get 55,000 employees working toward the same general end and to channel the energy for which Japan has become famous in the last decade.

I just want to announce one thing, that Mr. Konosuke Matsushita founded our company in 1919. Today Mr. Matsushita is about 78 years old; he has developed a philosophy over the years which is called "Peace and Happiness Through Prosperity," or PHP. An important function of PHP Institute is the publication of PHP Magazine. The aim of this magazine which, incidentally, has world-wide distribution, is simply "Moral Enrichment." The Japanese version of this magazine has the largest circulation of any monthly magazine in Japan. It carries no advertising. It aims only for social improvement. Copies are available at the Registration Desk in envelopes that look like this. I think you will find it somewhat rewarding if you will pick up a set and browse through it.

COORDINATOR: I know a minister from a small town in South Carolina where I grew up, by the name of Dawkins, who spent the last 15 years in Japan as a Missionary Minister of the Lutheran Church. He learned to preach in Japanese. All three of his children were born in Japan and the oldest is a boy who is now approaching sixteen. He has been working all summer to earn some money to make a trip back to Japan; he likes the country so well. Dawkins, who has now returned to America to be minister of my home town church told me during a discussion we had in June about the Japanese, that in public places one does not walk in fear of crime or bodily harm. He lived in the Tokyo area and he explained to me that from the time his children were six years old they took trips on a subway into Tokyo without fear on the part of the parents because nothing ever happened to them. Furthermore, when he drove his car into Tokyo, which was a rare occasion because of crowded parking space, he was never concerned about his automobile. If he had any shopping, he left it in the automobile without concern.

This is testimony on the part of a small town American boy, who grew up in rural America, studied for the ministry, and spent fifteen years in Japan as a church missionary. He observed the Japanese people all during that time and he has a lot of respect for them. For emphasis I will state again what he said, "I knew no fear of crime in Japan."

I think there are lessons in what Mr. Gilbert told us about how the Japanese treat their workers and the tremendous loyalty Japanese workers show towards their employers. There is also a lesson in the statement by Pastor Dawkins that crime seems much more under control in Japan. It is tragic that crime is running at such a high rate in America and is increasing all the time. I ask this question: "What do the Japanese have that we don't have?" It is "something" and I think it is time we learned what that "something" is: it just may be worth imitating--especially that tremendously high respect they have for the individual in the work place.

Discussion

AUDIENCE: Mr. Jelks, do you have moral values in the evaluation procedures?

JELKS: We have no moral variables. There are nineteen management variables. They have gone through a refinement of about 14 years. We started out with some 45 at the University of Michigan. Actually, they started in Germany. Personnel Assessment Centers were used in the selection of Hitler's SS. This was the origin of the idea. It was adopted by the United States in selecting its counter-intelligence people. I believe the first application of it in business that we know of was about 18 years ago. The Federal government, Bell Laboratories, Columbia University, and the University of Michigan held a conference trying to decide what makes an executive. They developed 45 management variables, but they are now down to 19. Such things as oral variables. Those things that every management person that we know of has at least in an above-average degree, not genius level, but to an above-average degree. I have the feeling I'm not talking to your point. Am I? Am I answering your question? I have the feeling I'm not.

AUDIENCE: Maybe you are!

JELKS: I don't think I am!

AUDIENCE: I am thinking about Einstein. I don't know if you have any like him to begin with, but how does your program fit this sort of person?

JELKS: Oh, I think I hear you a little more clearly. He is like a bale of cotton that comes down; we put him on the scales and we weigh him. We turn him back to top management. They do whatever they wish with the bale of cotton. All we do is read the scales. Our Assessment Center does not say "promote this man, don't promote this man". We identify the 19 variables, send the man back to top management of that particular department and they make the final decision, thank you, I'm sorry that I misled you at first.

AUDIENCE: I am curious as to your method of voting on candidates. How do you prove the validity of your selection process?

JELKS: A management progress study has been running in our Company for over twenty years now. Dr. Douglas Bray, at Columbia University, before he came over to work with us, originated it.

Every man that we consider a college trainee, that comes into the Bell System, we classify in order to identify him later. There were 360 such men that came to us 20 years ago. Dr. Bray gave them a large group of tests and he is the only man who has the results. The bosses of the men did not know what they made, no one within the company knew. Dr. Bray alone knows. He got this information on all of these people, recorded it, filed it, and opened it ten years later. He then went out to find what and where were these men? Some were dead; some had been fired; some had risen in the business; some were right where they were when they were tested. He looked at the ones that went up in the business and found the characteristics most prominent among those men, and this was the beginning of the study called "The Management Progress Study." It ran 10 years. After Dough looked the data over, he said he closed it again and this is the 20th year of the study. It has been proven to us. Let me say, I cannot give you the data; I do not have it. I can give you only the statement of Dr. Bray who has this information. We feel that it's good, since we have used the results of it here in Georgia for over 8 years.

AUDIENCE: Mr. Gilbert, we hear a lot about the Japanese worker and his place in the "Company Family." If you could possibly boil it down to one prime characteristic of the American hourly worker versus the Japanese hourly worker, what basically determines productivity?

GILBERT: Well, I think I'm going to answer your question very quickly because I think every speaker that I have heard has used this word -- "Involvement." When I outlined for you the announcement of this company overall policy for the year, for six months, and how this whiplashes right down the line to the lowliest production worker and how he is involved in these aims and these goals, it is, in a word, "involvement."

AUDIENCE: Let me ask you a question relative to the Japanese method of involving its workers. Would you generalize and tell us in a few words the few things which are applicable to American trade problems?

GILBERT: I am like the fool who rushes in where angels fear to tread. I am sitting next to a textile man; I am in the deep South; I say things that must offend the Union man when I talk about economic responsibility, so I'm surprised I'm still welcome here, and perhaps I am not. I would say that the dignity, that's the word I was looking for, the dignity of the individual is looked to in Japan. And, if I may, I should note that this is often overlooked in American industry. It was my observation that from time to time every worker is given a voice. Now I can elaborate on that. There are a number of programs -- one jumped into my mind immediately -- one they call "QC Circle" which means Quality Control Group. Now, every production worker is a voluntary member on his own time. In such a group they discuss their production methods, the defect ratios and how to reduce those defect ratios. True, the program was formally presented by the management, but the involvement of the employee was voluntary. I think it is just another way to give dignity to the individual. I don't care what he does or who he is, he has a need for dignity.

AUDIENCE: I should like to ask Mr. Gilbert if he would care to comment on the Japanese industry-government relations compared to U.S. industry-government relations?

GILBERT: I hope you are asking about the relationship of Japanese industry to Japanese government and not Japanese industry to American government! We have more relationship than we care to talk about. It is a well-known fact that Japanese government is more actively involved in the policies and methods and programs of Japanese industry. I wouldn't say it is on a formal basis, but the Ministry of International Trade and Industry does have a rather heavy, pronounced hand in what a major Japanese company does, and if monopoly is a dirty word here, it is less of a dirty word in Japan. It is still a dirty word, but it is less of a dirty word! There is not the tremendous body of regulations that Mr. Fletcher alluded to and which he is about to increase abundantly; it is much less formal. But the regulation is there. Did I answer your question? I'm sorry, I don't know if I did.

AUDIENCE: Is it true that part of that is simply because the job situation is concentrated in a few hands and the Japanese worker fears to job-hop?

GILBERT: First of all, let me discount by about 30 per cent, the first thing you said, usually that the job availability is concentrated in the hands of very few companies. That is not true! There are many so-called backyard enterprises where they employ only two or three people, and the same longevity, the same tenure applies. In other words, if you go to work for an individual, an entrepreneur who has only one other worker, you would expect to work there the rest of your life.

Now, getting back to the other point that you alluded to, there is a natural discrimination against an individual who is job-hopping. It is not really black-list, but it's not really something else, either. So, if you have left two or three other companies and you have applied for employment, chances are, you are going to be turned away.

PROGRAM REACTION

Mrs. Beverley Johnson, Director
Occupational Information Center for
Education-Industry

My understanding of my task is that I am to react briefly to the things which have gone on in this Conference so far. Every now and then we wonder as we sit through meetings, "What am I doing here?" "What's this meeting for?" "Why do we have meetings like this?" But this has been an excellent meeting and such questions have not plagued us. We really go to meetings for three major purposes. One is to gain information; another is to get ideas. Sometimes we have the information, and ideas give us ways to apply some of the information we have. As "necessity is the father of invention," other people's ideas and practices are often the mother of invention. And when we hear what other people are doing, sometimes we can bend their programs to fit into our own situation. The third reason, I think, is that we go to conferences such as this one to gain understandings or insights. And we come away, if we have achieved these goals, feeling greatly enriched.

Dr. Schenkel, in his opening remarks, talked about Herzberg's theory of motivation versus hygiene. I am sure that you are all familiar with Dr. Herzberg's theories. One of the problems that people in personnel have faced is that we have been accustomed to dealing with the hygiene needs rather than with the motivators. Hygiene factors have seemed to be insatiable. You never seem to be able to fulfill completely the job "satisfiers," and when you make a move to fulfill them, you are disappointed that the effects seem so very temporary. Take money, for example! Employees receive a wage or salary increase. Management's inclination is to believe that they are saying "Oh, boy, this is fine. I won't need any more money. I've reached the goals I was seeking." As you know, the increased income makes them happy for an amazingly brief period of time. Then they start their drive toward the next raise. Or take another hygiene factor: you install air conditioning or better lighting. This seems to satisy the need for physical comfort for a short while; then there starts a push for wall to wall carpeting and draperies. Hygiene factors do not, therefore, bring lasting satisfactions at work. We have put blind faith in money and in physical comforts too long.

This conference, I am happy to say, has concentrated on the "motivators" rather than the satisfiers. Motivators are those job factors which move an employee to do a better job. They are the factors involved in self-actualization. At this Conference, we have heard many good ideas which concentrated on the processes of getting people involved and interested in the jobs they are doing. It has considered the processes which involve people and help them to realize their own potentialities through the work they are doing.

The title of the conference, though, implied a little bit of manipulation. We can't afford to be guilty of manipulating people. We do not say, "We want you to be more productive; therefore, we are doing these fine things for you." We want employees to be happy with their lives and to feel satisfaction with the job they are doing. It is only incidentally that we hope their satisfaction with their lives will result in greater productivity on the job.

I think one thing this conference has pointed out is that the personnel department in any company is going to have to assume greater and greater responsibility. Dr. Green's paradigm of yesterday, when he was discussing the "open door" policy to top management, indicated that this has not always been as simple a procedure as stated in management policy. It has been assumed that any worker can go talk to the company president, so long as he goes through proper channels. In many instances, the necessity for going through channels has cut off access to top management completely, since the problem which the employee may have wanted to discuss was that of a personality clash with his immediate supervisor. This is a place in which the personnel department can be of real service to the worker. If the personnel department were to be given the responsibility of channeling the worker to talks with management, with no intermediate steps between the worker and the personnel office, workers might be more inclined to take advantage of the open door. However, the personnel officer would have to be directly under top management on the organization chart, with no intermediate steps between to close that open door. This is one way to maintain the dignity of each person in the organization, and still give more responsibility for individual welfare to the personnel department - which is, perhaps, where it belongs.

When you listen to the many different phases of individual security which industry has taken on as its responsibility, you are amazed to recall how far we have progressed from the days when the duties in personnel were largely "hire 'em, judge 'em, or fire 'em." We have taken two days to discuss the many human-concern features of most companies: insurance, health, credit unions, legal implications. Each of the factors discussed here could be the subject of an entire conference. This has been only a survey of all the kinds of programs made available to the average employee. It is an indication of the real concern which business has for the people who work.

We understand how great are our ranges of responsibility. It tends to be a little frightening. We acknowledge that we have ambitious goals that we are trying to achieve. They are tremendously worthwhile goals. We are trying to give recognition to the dignity of all work, not just the work of professionals or management people. Much of the responsibility for this task falls on the shoulders of the personnel department. And, were we to have a true-talking soothsayer among us, we would probably discover from him that this responsibility will grow rather than diminish in the decade ahead.

Robert F. Longenecker
Program Director
Georgia Consumer Services Program
Georgia Department of Family and Children Services

It is difficult to react to a conference like this, because someone always gets up ahead of you and says the things that you wanted to say. I would like to stress one thing. As one who has been in the social welfare field for a number of years, some things I have heard here really touched me. From the vantage point of the social welfare field, you always look at management, free enterprise and the business world more or less as the enemy, because those are the ones who are creating the problems by not employing people who are capable of employment, but are discriminated against for various reasons. Consistent with the free enterprise system, business seeks to make a profit; but, business can't create a profitable market by just giving money to charities and the disadvantaged, building $125,000 temporary homes for migrant workers, putting in health care and all those other things.

I had forgotten for a moment that the philosophy of management today actually has turned to the point where they realize that quality control is based on human control - on the human being that produces the product. Maybe you won't get people in the United States to get out and sing in the morning and afternoon, but I think we can get people who will be motivated as individuals to support the company, if we continue to do the things that I have heard you say that you are doing. This is recognizing the individual and the individual's integrity, looking at each individual as a human being with faults, whether he is an alcoholic, a dope addict or whatever, but looking at his problems as problems we all have. Even at the executive level, we have the same problems, but they are hidden. These people have the economic means to hide them, and the resources to go to the places where they can get help.

I was also impressed by another factor: the caliber of the people representing industry here today. They are more socially conscious than a lot of people I meet in the welfare field. I think that if you are in the welfare field too long, there is a tendency to become stereotyped. Unfortunately, people working in the welfare field can become dehumanized, and start worrying more about someone's eligibility for a service than about really serving the people, and you are not too concerned about eligibility.

Another comment I would like to make concerns what you said about the hourly wage employee. I kept hearing such things as, "A good employee generally reacts to having security, stability, the feeling that he is participating in the program, that he is given an opportunity to participate in the making of the goals and objectives of the company, and then follows through in his specific job, no matter how insignificant, to do his best to accomplish the goals and objectives of the organization." I feel that the key words that should be stressed again are Participation/Involvement. What we have been saying is that if we give the employee an opportunity to feel that he is secure, even though small in the company, and has some input through the supervisor in making the policies of the company, you will get this dedication that we are talking about. I am not talking about manipulation; I am talking about sincere involvement of the individual in the outlook of the company, because, as it is in Japan, the success of the individual depends upon the success of the enterprise. Generally, I thought the conference overall was outstandingly successful, the only reservation I have is that I would have hoped we would have 5,000 people here instead of the ninety or one hundred we have.

Mrs. Inez B. Tillison
Community Services Representative
Social and Rehabilitation Service
U. S. Department of Health, Education & Welfare

My reactions to the Conference will naturally be based on my own background and experience. As Community Services Representative with Social and Rehabilitation Service, I will react as a representative of those who deal with problems of the public welfare client. I have enjoyed being here very much. The Conference has been an educational experience to me. To react to each of the individual speakers would be impossible in the time we have.

As the out-set I would like to talk to you about the Work Incentive Program, currently being carried out cooperatively by the Department of Health, Education, and Welfare and the Department of Labor, which has not been mentioned during this conference. This program is carried out at the local level, by the Welfare Department in cooperation with the Employment Service. I am sure all of you have heard it said that most welfare clients are deadbeats and cheaters. This is not true! Out of the approximately 14 million people receiving assistance as of February 1971, between 3 and 4 million were old people, or disabled, or blind. An additional 7 million were dependent children. That leaves a possible 3 million who might be considered employable. If you subtract from this number the mothers of children of pre-school age, you will end up with a much smaller number, perhaps a little over a million who might be considered as employable. In this Region this group would be women as we have no program for the unemployed father.

The Work Incentive Program in most states in this Region is voluntary. The women have volunteered for the jobs; they are not forced into employment. The vast majority are interested and eager to work. To say that this Work Incentive Program has been a huge success would really be misleading, and I think that my friends from the Labor Department would agree with me. True, there have been many successes which we could cite, one I heard about just yesterday - a woman who had been on welfare for 3 1/2 years has received her Bachelor's degree from college and has a contract to teach next fall.

The welfare clients enrolled in the WIN Program and entering the world of work are beset by most, if not all, of the problems we have been talking about during these two days with regard to the "Hard-Core." Let's face it, they are not the most attractive candidates for jobs. I just wonder how many of you today would have openings for a Black female, with three children, who has between a 6th and 8th grade education, whose only work experience has been as a domestic. The probable answer to this problem may be more adequate incentives to the employer as well as the employee.

In our experience in the WIN program we find that there certainly is a communication problem, and a great deal of help is needed in coping with the cultural gap that Mr. Davis talked about. I am reminded of a story a caseworker told me about a client who applied for Aid to the Disabled and was turned down. He appealed his case, and at the hearing someone asked him why he exercised his right to appeal the case. He said, "Exercise? I don't exercise at all, I'm disabled."

One major problem, as Mr. Gross pointed out yesterday, especially with this group, is the problem of care for the children. There are not enough day care centers. Even if the mother has a plan for her child, if he runs a temperature, the day-care center without a sick-bay area cannot accept him. The mother has to stay at home and look after the child.

Transportation has been a critical problem. Many do not have cars of their own, and your plants and businesses are located in out-lying areas where sometimes public transportation is not available.

Our experience in this program has shown also that basic education or remedial education is a real problem. For the most part efforts in this area have lacked creativity. Basic education programs have not been the kind to hold enrollees. In one city in this Region, all of the youngsters had dropped out of the Work Incentive Program. They had been placed in the same kind of situation which caused them to drop out of school in the first place. They had been placed in a classroom situation exactly like the one they had left. If more creativity had been used there, those boys might have stayed in the program. I was glad to hear from Dr. Fuller about some of the new methods being used - tying basic education to the specific job. I liked Mr. Erwin's statement, "The instructor is the key and what he teaches must be relevant."

Dr. Patton mentioned the several levels of service to people, and how agencies are giving these services. The Harris amendments to the Social Security Act of 1967 require all the welfare departments to employ former clients and other people of low income as sub-professionals. In those communities where they have employed these indigenous people to give supportive services to Work Incentive enrollees, the program has been most effective.

The Labor Department has also used job coaches to work with people on the same social level and of the same culture, and where this has been done there has been a successful program.

There is one thing I felt was missing in the conference -- the first-hand viewpoint of the hourly worker himself. I believe that some of the hourly workers have figured out how to maximize productivity and they could tell us how they did it. Perhaps one of the "Buddies," that Mrs. Gurley mentioned yesterday, could tell us how they were able to work with employees to increase their production. Even some first-line foreman, if we had their viewpoint on what they do to improve production on the line and to meet their quota, would add greatly to our understanding of the problem.

This has been an excellent conference. Thank you for letting me participate.

Walter C. Rucker
Area Manpower Representative
Human Resources Development Institute AFL-CIO
Atlanta Office of Southern Region

I was somewhat concerned when I noticed the names and firms represented and saw that I was the only person here representing organized labor, and I wondered whether or not I would be the reactor or reactee.

As a representative for organized labor, I feel that the Conference has really touched upon the basic issues on improving productivity. First of all, it is certain that the human element is very important in productivity. I think that it is very important that we have motivation. It is important that the employee be made to feel that he is a part of the firm.

According to some of the statements made yesterday, in regard to the labor interest in productivity and the lack of any information in negotiation on this issue, I think this was an indication for organized Labor that productivity is "Management's bag," and we will not interfer as long as their demands are reasonable. Primarily, I think for too long employees have been looked upon as numbers and not as individuals. From the comments made by the speakers, by our presence here and the questions that you have brought up, I think it has been said very loud and clear that management is interested in individuals and that they realize that this is a most important part of productivity. With this type of seminar, I agree with the comments made previously that I would like to have seen double the attendance here because the message is very important and should be carried to all the major companies.

SOLVING HUMAN PROBLEMS THROUGH WORK STANDARDS IN THE WORK PLACE

by
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I should explain at the outset what Work Place Standards are all about because I really think that the title could well be "Human Problems Administration" instead of Employment Standards Administration. I make this point because the legislation we deal with involves human problems at the work place. Basically, the work place involves human problems and Congress has tried to legislate remedies to solve these problems.

Wage garnishment at the work place is a human problem for which Congress decided to try to legislate a remedy. Age discrimination at the work place is a human problem for which Congress decided to try to legislate a remedy. Sex discrimination at the work place is a human problem and Congress decided it would try to legislate a remedy. Race discrimination at the work place is a human problem and, again, the Congress tried to legislate a remedy.

In some instances Congress tried to legislate special remedies as in the case of the maritime industry. It is not just a general safety program, but because of the high incidence of accidents in the maritime industry, Congress legislated a special remedy called the Longshoremen and Harbor Workers' Act.

Safety in the construction industry is comparatively poor. Here again, Congress tried to legislate special remedies giving us new construction industry safety legislation. Now, the point I'm trying to make is that, as a result of this kind of legislation, in one way or another, a great many of the (approximately 80.6 million) workers in this country are affected.

The interesting part about Congress' legislative remedies is that it makes the private sector responsible for solving the problems. Congress, in many instances, just legislates its intent but does not go further and spell out in detail how this intent is to be achieved.

Let me give you an example. When I came into office wage garnishment legislation was already on the books, however, to my surprise, it had never been properly administered. Yet this legislation was even related to manpower training programs.

I personally know the results of one manpower program. As a consequence of this experience, I learned that one of the things affecting the success of many manpower programs is that the client may be subject to a garnishment order after he finishes training and gets his first job. If he or she happens to be in debt, then the creditor will garnish his or her wages just as soon as he discovers the fact that the debtor is employed.

Congress passed legislation to remedy these kinds of problems - at least that was the intent of the legislation. Nevertheless, when I arrived in office no guidelines had been drafted for enforcing this legislation. I found that it was to become effective July 1, 1970; but on June 15, 1970, there was no money in the budget and no staff available to begin enforcing the provisions of the new act.

I want to turn now to the problem of age discrimination. I don't know whether you read the Wall Street Journal this morning, but there is an interesting story on the front page of the Wall Street Journal about this subject.

Age discrimination legislation has been on the books for years. It is a human problem. The hard, cold fact is that we are just now having to enforce this legislation. One of the things the economic readjustment has brought about is that people in their late 40's and early 50's are fighting to hold their jobs. In this they claim discrimination, irrespective of color, which is very interesting.

The fact is complaints of age discrimination are skyrocketing. We are getting cases every day of complaints of age discrimination which raises the case load. It is a problem to define age discrimination and to determine whether age is a bona fide qualification for employment. For example, there was one company that said that if you are past 40 years old, you are too old to drive a bus. You just have to retire at forty. If you are already on the payroll and have been on the payroll, you could be 41, 52, or 59 or 61, and still drive that bus but if you are 40 and just starting to drive the bus, then you don't quality. Now, that is very interesting logic!

Furthermore, in terms of longevity at the work place, we know that the older a person gets, the less likely he is to change jobs. I think it is safe to say that the most stable workers, for example, are those who secured a job in their late 40's or early 50's. It is an illogical idea that a person over 40 years old shouldn't be hired to drive a bus.

This is the point that I am simply trying to make. All this legislation that was passed back in the 50's and 60's, in response to human problems was erroneously designed to satisfy a "cry." I have found so many statutes on the books that were put there, for example, to stop women from screaming that they weren't being given equal pay with men for similar work. Obviously, somewhere along the way there was no intent to enforce it, except today, like age discrimination, women are coming forward and saying that we want those sex discrimination guidelines and that equal pay act enforced.

What I am telling you is that these are the problems that you are going to have to deal with, not us. We go forth like the "bull in the china closet," and say "Here's the law." But it really is you who must solve these problems.

Consequently, this area of the Labor Department is now coming in for a considerable amount of attention. There was a time when you said "Labor Department," and everybody thought of the "Manpower Administration." Well, it is true that the Manpower Administration has the biggest budget, but the Manpower Administration really deals with people who are unemployed. They are basically concerned with trying to get people into the labor market.

On the other hand, the Assistant Secretary for Labor and Management Relations is concerned with those approximately 20 million workers who belong to organized labor and, generally, are already in the labor force. In contrast the Assistant Secretary for Work Place Standards is concerned with employment standards, which covers a significant portion of the entire labor force.

You will get increased action from us, not necessarily because there is any new commitment on the part of the bureaucracy, but because things are happening in the work place and in our society that are causing us to take a look at what was legislated. Furthermore, various segments of the population and the labor force are now demanding that this legislation be enforced. Thus, human problems at the work place will take on increased significance.

When it comes to dealing with these problems, we find that in government, until very recently, the citizenry was most interested in how tax money was spent. In 1971 the Federal Government collected 188 billion and spent every cent of it. Too often government agencies don't have to account for results, but only for the amount of money that was spent.

The space program spent billions of dollars to put a man on the moon. That is what we set out to do in 1961 and we said we would do it by 1970. Not only can we account for the fact that we spent that amount of money, but we can also account for the fact that we achieved the desired result.

Not only should we show such results, but we should go one step further and show some cost benefit ratios.[1] The highway program also has accountability and legislative intent, and like the space program has required billions of dollars. What has this meant? We are beginning to find that Congress is suddenly asking for more than just accountability. They are beginning to ask for results!

I just came from the Hill last week where I presented my budget, and for the first time, I found that Congress was asking: "What benefits did the people get out of our increasing your budget and providing the new personnel that you wanted? What benefits did the taxpayers receive?"

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[1] An example would be the number of new job opportunities created for minorities as a result of a particular Federal program.

Now, as a consequence, you can expect us to get a little more hard-nosed than we have been in the past, because they're asking us now to set standards that achieve results and confer measurable benefits. For example, in wage garnishment, I asked for eight people last year to start that program and I picked several markets to test the validity of our approach. Our records show that because we set standards for enforcing that legislation, we saved thousands of jobs. Up to that time, in many states, the first time a worker's wage was garnished boomp, that's it, he was out! Maybe some of your own companies have been following this same practice.

But under the new garnishment statute, you can't do it any more. You cannot discharge a person the first time his wages are garnished. In addition to that, there is only a percentage of take home money that can be garnished.

We claim not only that we saved thousands of jobs, but that we were also able to point out the amount of money that we were able to keep in the employee's pocket.

The same is true for the equal pay act. We were able to show that we uncovered, approximately 30 thousand underpayments under the equal pay act, amounting to millions of dollars (some 15 million dollars) for which we were able to get settlements, as a result of enforcement efforts in this area.

They are beginning to ask for results! This means that we must set standards for enforcing the law. That is a necessity. How do you come up with standards? We have to come up with standards so that they can conform to the enabling legislation.

This brings me to a further point. You're going to hear the term "affirmative action" used more and more. Affirmative action to bring more women into the labor market, affirmative action to prevent people from getting their checks garnisheed; and affirmative action to remedy other problems. What we do, then, is put out a list of rules and regulations that are designed to set standards. We look to you to follow these standards and to help solve the human problems that are increasingly prevalent in the work place.

Let me now turn to Order Number 4 which deals with eliminating racial discrimination in the work place. From an affirmative action point of view, Order Number 4 is designed to identify the extent of the problem. Where discrimination exists it requires the establishment of goals and timetables to remedy the problem.

What is the purpose of Order Number 4? Its purpose is affirmative action. It requires the use of a self analysis process and the use of goals to rectify discrimination problems. I am now convinced and I have been able to convince the administration (as well as a segment of Congress) that anything short of specific plans to bring minorities into the work place (and where necessary to upgrade those already in the work place) will not solve the problem.

I was able to do that by presenting them with a detailed analysis of the various ways we have used our human resources in the past two decades when the economy was relatively prosperous.

Executive Order 11246 which requires contractors to be "Fair Employment Practice" employers, puts the burden on government contractors to identify the steps that each must take in order to be a "Fair Employment Practice" employer. We cannot expect contractors to ever achieve that end if it is incumbent upon them to establish the standards and required to follow them solely on a voluntary basis.

The point is that the term "Affirmative Action" was used in the 50's and 60's, but no one ever defined it. It may well be that some of you have been asked to define your own affirmative action program, that is define your own concept of it.

When I came into office, they said that you cannot use the procurement system, which is very specific, as a means of solving a human problem through bringing people into the work place, without being equally as precise in complying with contract law. To answer this objection we came forth with an affirmative action program which is very specific.

We are going to have to be just as specific when we deal with women in the work place, just as specific when we try to solve the problem of age discrimination. To have an effective affirmative action program requires a proper analysis of the problems involved and establishment of goals to solve these problems.

Some other ingredients of an affirmative action program are as follows: First, the development or reaffirmation of the equal employment opportunity policy of the company; second, the dissemination of that policy; third, an assignment of the responsibility of implementing that policy; fourth, the identification of problem areas by organization unit and job categories; and fifth, an internal audit and reporting system.

Now, actually, doing this took affirmative action out of the very kind of thing that it was up to this point and brought it down to where it is something specific. What we are trying to do is to explain to management and to personnel people, what the government expects of them as it relates to affirmative action.

Let me just read from various parts of Order Number 4. It starts off by saying that any contractor (as set forth in C.F.R. S60-1.40) is required to develop an affirmative action program at each of his establishments. Until such plans are developed and found to be acceptable in accordance with established standards and guidelines, the contractor is not in compliance with the equal opportunity employment clause in the contract.

The fact of the matter is that just after these regulations were printed, the women wanted to amend them to include safeguards against sex discrimination. I didn't ask them to come, but they came forth. And so, a revised Order Number 4 was necessary.

The ink on this one was just barely dry, but because of this human problem, we had to revise it, and set goals, and set policies, and set timetables, not only for upgrading minorities, but also for bringing women into the labor market.

Anyway, that is what they selected me for. Let me again quote from Order Number 4:

> "An affirmative action program is a set of specific and result-oriented procedures to which a contractor commits himself to apply every good faith effort. The objective of those procedures plus such efforts is equal employment opportunity. Procedures without effort to make them work are meaningless; and effort, undirected by specific and meaningful procedures, is inadequate. An acceptable affirmative action program must include an analysis of areas within which the contractor is deficient in the utilization of minority groups and, further, goals and timetables to which the contractor's good faith efforts must be directed to correct the deficiencies and, thus to increase materially the utilization of minorities at all levels and in all segments of his work force where deficiencies exist."

It is urgent that you people in personnel take a look at your whole work force and the manner in which you are using your human resources. (I have stopped using the word "manpower" now that women insist that they are a part of the resources that help to make this country great). You must take a look at the human resources and the manner in which these human resources are being used for the purpose of determining the potential of each individual within your labor market--not only the potential, but the actual level of development that each worker is able to attain.

What I am suggesting is that if women with college degrees are being used as clerks and stenographers their talents are probably being underutilized and they have some grounds for complaining. The situation can be remedied in your affirmative action plan.

As an example, if from an analysis of your clerical force, you discover that you have 8, 10 or 15 women who actually have college degrees, and are qualified for more skilled work, but because of company policy, the only position open to them is on a clerical level, then you should "Red-Circle" their pay rate and allow them an opportunity to transfer to more promising lines of progression. ("Red-Circling" means that the transferee will retain her present pay rate in a new position even if the pay rate for the new position is less than the one for the old one.)

One of the first places you should look to provide an opportunity for promotion is in regard to those women who are being under-utilized. This is a part of the commitment that you must make as Federal contractors before a contract is awarded.

The same is true in the case of minorities. If, as a result of an analysis of your work force (unit by unit), you discover that you are under-utilizing minorities, then your affirmative action plan should include goals and timetables for upgrading these people.

The burden is placed upon us to give some definitude to the somewhat idealistic social legislation and executive orders that were promulgated in the last decade or so.

It is creating problems for us in government because we have to set standards that satisfy these laws and executive orders. It is creating problems outside government because the immediate reaction to a remedy such as "Red-Circling" (even though it has been approved by the courts) is that these people receive preferential treatment or that the other workers are subject to discrimination in reverse. These are the kinds of human problems that we find ourselves confronted with when we try to make legislation work.

At this point, I would like to make a few closing remarks before the question period begins. It is my opinion that making government work is closely related to making legislation work. That's really what government is all about. If we legislate a remedy and then fail to make it work, then we are making government fail. I personally feel that that is the reason why government is presently held in such low esteem. Legislative remedies have been placed on the books, but no follow-up effort has been made to see that the legislation does the job that Congress intended it to do.

Discussion

AUDIENCE: Mr. Fletcher, physically and mentally, we are potentially very capable people. We are making all sorts of attempts to expand these skills through education and training. What is happening to termination of one from the work force, say for instance, the age factor?

FLETCHER: We're investigating individual complaints of those workers covered by the legislation. We are also investigating potential violators. We haven't given any consideration to anything beyond that. However, I am giving it some very serious thought.

When legislation such as this is passed it creates a demand for enforcement by those workers benefited by its provisions. What we do need in the wage and labor standards situation is more long range planning before the legislation is enacted. It is my opinion that when this legislation was originally passed it probably was not completely thought out. I don't really feel that Congress ever intended that it would be called upon to make major appropriations to provide a large compliance staff and the necessary support personnel. Many who voted for this bill probably thought that this would be something the existing staffs could handle. The fact is they can't handle it. Nor can the existing legal staff in the Labor Department handle it. It will, therefore, require increased manpower and increased human resources to deal with this problem.

I think that it is becoming more apparent that we do, in fact, have a major problem on our hands. A national advisory council available to the work place standards administration could really take a good look at everything we are trying to do and provide helpful suggestions for making future policy decisions.

AUDIENCE: We have gotten an Affirmative Action Program from all the various civic organizations throughout the country. With regard to minorities, we have set goals which we require our managers to report on to us each quarter but they say what their timetable and goals are for the year. Each quarter they are asked for a progress report by job category so that this sort of takes care of upgrading. We know how many have been promoted into manager and supervisory positions, and I am happy to say that it has worked at a number of places. In some others, however, not well. If I read you correctly, are we in line with you legally?

FLETCHER: It would be impossible at this time without doing a thorough compliance review of each of your plants or facilities to determine whether they are legally in compliance with the requirements of Executive Order 11246 and the standards contained in Order Number 4.

The process by which standards or regulations are promulgated is an interesting and lengthy one. In certain instances hearings are held and experts appear at the hearings to provide pertinent information. As a result of these hearings the draft copy of the standards discussed at the hearings may be revised. They are then looked at by the Legal Department (Office of the Solicitor of Labor) to determine whether they will stand up legally. They are sent down for my signature, then to the Under Secretary, and then to the Secretary. Before they become effective they are published in the Federal Register. They appear in the Federal Register so that the Congress and the general public are aware of their contents and the effect of the standards.

AUDIENCE: Is it possible that a copy of your talk will be available? I think next time you have a regulation in the Record, that 30 days, I should like to mention it to them because we need to get them thinking about it, particularly this idea of interpretation, as all the people we have don't have substantial education, ambition, skill or whatever it might be. All of these people, including minority workers or whatever group, have the potentiality to move on up, if conditions are right. Congress always says do this or do that. When are we going to have legislation which is employee-employer related?

FLETCHER: I'm sure the publication of work place standards, especially the publication of regulations such as the so-called sex guidelines, will present those kinds of problems. This is one of the reasons why such regulations are published in the Federal Register and why we take a careful look at them. We try to focus the best legal minds and the best personnel minds on these regulations.

I just might add that one of the toughest things about my area of responsibility is that either 51 per cent of the people agree or 49 per cent disagree, and vice versa. It is difficult to develop the standards for implementing the legislation. Since this is an area of great concern to the working man, naturally, some regulations are a compromise between two divergent view points.

The interesting thing about compliance legislation is that Congress in certain instances has set its own standards. For example, in the Occupational Health and Safety Act if a plant is an unsafe work place it is possible to padlock it within 24 hours if the deficiencies are not corrected. But they didn't tell us what the safety standards were. And consequently, we all got busy working out those standards and it required a book about knee-high to contain them all. Establishing work place standards is not easy. Sometimes it's difficult to establish standards that the courts will sustain. The lawyers (and you are probably all aware of this) frequently argue that a proposed regulation is quite uncomfortable and totally in opposition to established plant policies and procedures. If this is so, you can almost bet we are going to be taken to court before they will go along with it. We know that! This is what makes it so very difficult.

QUESTION: Mr. Fletcher, in the 1970's what is your department going to do to help minorities with the garnishment problem?

FLETCHER: Well, first, the existing law states the amount of the employee's check that can be garnished and no more. In order to make sure that this law is being obeyed, we are trying to investigate violations by using our present staff. This gives us a good opportunity to tell you what I'm trying to do. I think it's a waste of taxpayers' dollars to put on administrative staff for every law that deals with the work place. I am trying to organize and train certified employment standards agents who will be able to enforce not only the garnishment act, but will also be able to enforce a variety of other safety standards legislation. In the past each act has had its own enforcement staff. It seems to me that somewhere along the road we should begin to pull employment standards all under one administrator.

When I arrived at the Labor Department, Division of Wage Determinations (Davis-Bacon and related Acts) was in the Solicitor's Office, yet the determinations were being enforced by the same people that enforced the minimum wage. So, I had it moved down and put in the minimum wage division.

We're moving in the direction of not having to put new staff people to administer each new law. In order to make sure that the legislation is working, what we're trying to do is begin to increase the responsibility of certain of our investigators. We intend to increase their responsibility so that when they are investigating a minimum wage complaint they will be able at the same time to take care of a wage garnishment matter. Broadening of responsibilities will, however, require some staff increases. Right now, we don't have the people in the field or the home office to completely combine functions.

There is one thing that bothers me, and I don't know whether we discussed it. However, I will throw it out to you and you can go home with it, and turn it over in your minds. Both sides of the aisle in Congress (Democratic and Republican) and in the executive branch, and many people on the sidewalks say the greatest thing that could happen to welfare is for there to be a work incentive - a requirement that says that you have to work in order to get benefits. Everybody agrees that this is a forward step. That it is the greatest thing since Aunt Jemima's Pancakes.

Welfare reform is excellent, but I would like to point out that we're not now saying that you need to work to fulfill yourself spiritually. We are not saying "right to work," as the unions were arguing in the decade of the 50's, but we are saying "have to work." This is an important requirement. We're now saying, if the Congress passes the welfare reform bill, that each American with certain exceptions has to work in order to sustain life. For this country, that is looking at work in a fashion that we have never looked at it before. What they are really saying now, is that the man and the woman at the bottom of the barrel must find a place on your payroll. You just think that over because it is going to create some brand, spanking new responsibilities.

When you train and hire the hard-core you can say: "Well, this is my social responsibility; I am going that extra mile." If the legislation is approved with work incentives in it and requires that "these folks must work," that's not charity any more, that's a brand new concept. This concept has dimension to it. I am sure that you will analyze and examine it, especially you people in industry. Again, not need to work for fulfillment, not right to work which was the argument in the 50's and 60's but "Has to work."

AUDIENCE: This has to do with the new Safety Act and one of the things that the new Safety Act requires is that a form be filled out for each accident, whether the person was rendered unconscious, or you had to call a doctor, or whatever. You have to have a log on accidents and you have to submit an annual report. My question is this: Can we ask our insurance carrier for advice on what is the proper form for this information? It goes to the Regional Office of the U.S. Department of Labor, and I ask that if that insurance form we are now using will be acceptable in reporting to the Department of Labor. In other words, how can we find out if our present system is acceptable?

FLETCHER: I would suggest that you contact the regional office of the Bureau of Labor Statistics on questions relating to the record-keeping and reporting requirements of the Occupational Safety and Health Act. To answer your questions, however, all employers are required to maintain a log of recordable injuries and illnesses, a supplementary record containing additional detail on individual occurrences, and must compile a summary at the end of the calendar year. The log and the supplementary record must be made available to compliance officers in the course of their investigations, and the summary must be posted in the work place. The log and the summary are mandatory, while the requirements for the supplementary record are met by any form, such as Workmen's Compensation form, an insurance form, or an internal company form, which contains all the prescribed information. None of these forms are to be submitted to the Government -- they are to be maintained in the establishment, or work place. A sample of companies will be required to submit a statistical report at the end of the period, but only those reporters who are selected will be required to report. Those companies selected will be notified individually.

AUDIENCE: For example in the States of Ohio and Washington, you don't have a private carrier because you know that Workmen's Compensation requires a state operated procedure. Do we have to file one form for the Department of Labor and another for the carrier?

FLETCHER: As I indicated above, these forms are not to be submitted, but are to be kept in the establishment primarily for compliance purposes. If your state Workmen's Compensation form contains all of the information prescribed, it will meet the regulations. In fact, the Workmen's Compensation form will suffice if it is supplemented to include any missing pieces of information.

APPENDIX

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